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THE GROWTH

OF

GLISH INDUSTRY

AND

COMMERCE

OF THE
HOMERY
BRANCH
OF THE

BY

W. CUNNINGHAM, M.A.

E DEPUTY TO THE KNIGHTBRIDGE PROFESSOR IN THE
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doubtless more speedy punishment was meted out to these offenders. The records of the whole proceedings give us a most startling picture of English society at the time when Edward I. was called to rule the realm. Edward set himself steadily to redress the grievances of the poor[1] by staunchly maintaining the rights of the crown. How closely these two were connected may be most clearly seen in the story of the disafforesting dispute, when by a readjustment of boundaries, much of the crown forest was given over to great barons. The nobles gained somewhat at the expense of the crown, and the position of the poorer tenants on land that thus changed hands was so much altered for the worse that their case needed special attention in the *Ordinance of the Forest*[2], A.D. 1306. by which their rights of pasture and common were restored.

and popular grievances.

But it is the glory of Edward that he not only set himself to redress the wrongs that had grown up under his father's misrule, or with the connivance of his officers, but also took important steps towards so reconstituting our social system that these grievances should not arise again. The disorder of the realm was very largely due to the immense number of local privileges and special

Causes of disorder removed.

of Roger of Estra who, when the bridge had been carried away by a flood, took a tax of 2*s.* and afterwards of 6*d.* a hide on pretence he was going to build a stone one; but he only built a wooden one after all. Then the men of the town report he was more than seven weeks in doing it, and all that time provided a barge to ferry them across, for which accommodation he charged an exorbitant fare. These facts were recorded in the extract for immediate royal attention. *Hundred Rolls*, I. 54, 55.

[1] For a picture of these, see the Husbandman's Song (date of Edward I. or II.) in Wright's *Political Songs* (Camden Soc.), p. 149.

[2] *Statutes of the Realm*, I. p. 147. See also *Greatest of the Plantagenets*, 344.

immunities; vested interests of all sorts stood in the way of enforcing uniform regulations throughout the whole country; while the special jurisdictions and special exemptions seriously affected both the security and the profitableness of internal trade[1]. Till this time there had been no sufficient general regulation for the whole realm, and charters promising good government and general protection had been but badly observed; every corporation religious or municipal, and almost every village, had its own special privileges. The men of Cambridge[2] took tolls from all men coming to their market and fair. The lord of Milton[3] claimed immunity from all tolls for his

[1] A curious example of the possible effect of these local jurisdictions is found in the First Statute of Westminster (1275) c. 23. At one time it had been the practice for the burgesses of a town to attempt to recover the debts which a stranger might have incurred among them by impounding the goods of the next stranger who hailed from the same district, and who might therefore be able to recoup himself. This primitive justice was to cease finally in regard to Englishmen: no foreign person (that is, one who was not free of the town he visited) which is of this realm was to be distrained for any debts but his own in any city, burgh, town, market or fair. "Purvue est ensement, que en Cite, Burg, Vile, Feire Marche ne soit nul homme forein, que seit de cest reaume, destreint pur dette, dont il ne seit dettur ou plegge." *Statutes*, I. 33.

[2] *Hundred Rolls*, II. p. 391.

[3] *Ibid.* II. p. 452. This entry is worth notice for purposes of comparison with Domesday. The land was held by John Strange, a knight who had two fees there, but paid certain charges to the Bishop of Ely, who was the tenant in chief. Sir John Strange had the view of Frank pledge and the Assize of bread and beer of old time, and rights of warren within his own land, and claimed as noted above exemption for tolls for himself and his men: "sed nescitur quo warranto." The fishery was worth 20/ as against 650 eels and 12 pence: eels were sold by the stich of 25, but Rogers (*History of Prices*, II. 552 p.) quotes prices varying from 3*d.* to 2/ the stich, so that it is impossible to say whether the fishery had

tenants, but with no very good authority; and so throughout the whole country, each place had its own privileges; even foreign merchants were provided for, not so much by general regulations, as by special privileges conferred on the 'men of the Emperor' or the traders from a special continental town.

One of the principal matters about which inquisition was made was the right of holding markets and fairs: this, intimately connected as it was with royal taxation, was a right that could only be conferred by royal grant: in many cases however this right had been assumed by those who had bought land on which fairs had usually been held, and who were thus taking tolls from the merchants which should in fairness have gone to the king. Much curious information has been preserved as the *Fairs*

improved or not. But the number of tenants had increased: there were then in all 31 villains—in the wide sense of the word; there were now eighteen free tenants, and fifty-two villains: the value of all their payments amounted to more than £23, so that the annual worth of the estate had doubled or trebled; while the villains owed besides 1874 uncommuted services and paid more than 100 capons and 60 gallons of ale; but the holdings were many of them so small that the tenants must have had industries or worked as labourers besides. Most of the villains paid a rent and some services; the precise kind of service is not stated, but a rough reckoning is kept by stating its money price, and some of the free tenants had only recently commuted all their services, as it is said that they paid so much for their services.

About 730 acres were under cultivation as arable land or gardens. We have no exact means of comparing the stock with that which is enumerated in Domesday: but according to the *Inquisitiones Nonarum* of Edward III. the tithe of the *sheaves*, *fleeces* and *lambs* was worth £10. 6. 8: the place had been assessed at £18. 12. 4, but not nearly so much could be obtained: of course these figures do not give us any means of distinguishing arable produce and that from the flock, or instituting a comparison as to the total produce at the two periods.

in Cambridge. result of this enquiry. In Cambridge there were four annual fairs, one belonging to the Prior of Barnwell, held A.D. 1211. for four days from the Vigil of S. John the Baptist[1] and now surviving in Midsummer fair, for this he paid a mark of silver; another, which existed in the present century as Garlic fair, belonged to the Prioress and A.D. 1150. nuns of S. Rhadegund, and lasted for two days from the feast of the Assumption of the Virgin[2]; a third, belonging A.D. 1211. to the Master of the Lepers' Hospital[3], was held on Holy Cross Vigil and Day, and survives in Stourbidge fair: the fourth belonged to the burgesses and was held on the Rogation Days[4]. By far the greater part of the commerce of the country was carried on at such fairs, and Stourbidge fair was one of the most important in the whole kingdom, rivalling it was said the great fair of Nijni Novgorod as a gathering of world-wide fame[5].

Edward did not attack these local privileges, but he rendered them unnecessary by making a serious attempt to provide for the good government of the country as a whole; former monarchs had permitted the men of this town or that to manage the affairs of the place where they lived, but Edward called on his subjects to assist him in making wise statutes for the realm. When the representatives of the people met to provide for the common good of all, there was less need for procuring or perpetuating local immunities and privileges. A similar change

Representation and Statutes.

[1] By grant from King John, *Hundred Rolls*, II. 358.

[2] By grant from King Stephen, *Hundred Rolls*, II. 359.

[3] By grant from King John, *Hundred Rolls*, II. 360.

[4] Secured by various grants. *Hundred Rolls*, II. 391.

[5] In the eighteenth century, it continued to be a most important mart for all sorts of manufactured goods, as well as for horses, wool and hops. See Daniel de Foe's most interesting account, *Tour* (1724), I. 91.

may be found in the taxation of the country, as till the time of Edward I. each class is taxed on different principles, and to a great extent at different times. One year a tallage was taken from the towns, another an aid was demanded from the barons; while so far as the regular taxes went, exemptions were enjoyed by the holders of lands of ancient domain, and by those to whom immunity from tolls had been granted by any one of the long line of previous kings. By the formation of a parliament where all classes were represented a long step was taken towards the levying of taxes generally throughout the whole kingdom, instead of making special arrangements for each locality and for each class in the community. A comparison of the modes of raising money adopted by Henry III. and Edward III. respectively brings out this contrast clearly[1]. Church property was separately dealt with for long, and the great schedule of the ecclesiastical wealth[2] of the country which had been made for the sake of Pope Nicholas' taxation in 1253, served as the basis of much of Edward's, and was adopted by future monarchs.

§ 42. Almost every one of the statutes which date from the time of Edward I. has some clause or other which has a direct bearing on economical matters. This may perhaps be most clearly seen if we distinguish those enactments which afforded better conditions for commerce, from those of which the object was to bring the

[1] Compare the accounts of each given by Mr Pearson (*op. cit.*, II. p. 208) and Mr Longman (*op. cit.*, II. 278, 281) respectively.

[2] *Taxatio Ecclesiastica:* Edward received tithes by papal grant during his crusade: in the accounts (*Inquisitiones Nonarum*) of the ninth fleece and lamb which was granted to Edward III. the difference between the amount received and that due according to Pope Nicholas' Valor is always accounted for.

whole resources of the nation more immediately under royal control.

Royal control. A.D. 1279. A.D. 1290.

Of the latter kind were the *quo warranto* proceedings, by which the neglected rights of the crown were once more enforced, and the statutes *de viris religiosis* and *quia emptores*[1], by which the further increase of the Church lands to the disadvantage of the crown under colourable pretexts was stopped: only immunities and exemptions, for which a clear case could be made out, were to be permitted; while the area of the lands, the produce of which went to supply the papal taxation, was not to be increased. A still more decided attack was made in 1300 on the English monasteries belonging to foreign orders: the Cluniacs had sent large sums to the chapter abroad, the Cistercians had made their position as branches of a foreign order an excuse for refusing to contribute to royal taxes; but now all these evasions were to come to an end.

Conditions of commerce. A.D. 1285.

Far less sweeping, but not less important, were the statutes which facilitated the conduct of trade. Some enactments were intended to improve the physical conditions of commerce; as, for example, were the clauses in the Statute of Winchester which provided for safety in the towns and while travelling. "And for more Surety of the Country the King hath commanded, that in great towns, being walled, the Gates shall be closed from the Sunsetting until the Sunrising; and that no man do lodge in suburbs nor in any place out of the Town, from nine of the Clock until Day, without his Host will answer for him. * * And further, it is commanded, That Highways leading from one Market Town to another shall be enlarged, whereas Bushes, Woods or Dykes be, so that there be neither Dyke nor Bush, whereby a man may

[1] *Statutes*, I. pp. 51 and 106, also p. 118 (25 Ed. I. c. 36).

lurk to do hurt, within two hundred foot of the one side and two hundred foot on the other side of the way[1]."

Wrecks. A.D. 1275.

The first statute of Edward's reign shewed his care for traders, both native and foreign, in another way. Legal effect was given to the old custom that when a ship was stranded, it should not be accounted a wreck, if a man, cat, or dog, escaped alive from it. The cargo was to be kept by the royal bailiff, and those to whom it belonged might have the whole restored to them on laying a claim, within a year and a day; and this was to hold good whether the rights to wreckage belonged to the king or to a subject[2].

Coinage. A.D. 1299.

There is also a series of enactments dealing with the coinage of the country; in particular a statute entitled[3] *de falsa moneta* was promulgated, with the view of preventing the deterioration of English coinage by the introduction of counterfeit 'sterlings' or of bad foreign coins. Only good silver was to be received, and no good silver was to be sent out: for this purpose an exchange table was established at Dover, and warders were appointed in all other ports to see to the matter; yet a few months later a new enactment was required, as it was found that the English merchants received 'pollards' and 'crockets' as well as sterlings for their goods. It is important to observe that these regulations have direct reference to the subject of coinage: the coins were not treated as objects of value, far less as the sole objects of value. The king seems not to be aiming at increasing the treasure in the country, but only at maintaining the excellence of the English currency. Apparently Edward's regulations were not

[1] Statute of Winchester, c. 4, 5. *Statutes*, I. 97.

[2] First Statute of Westminster, c. 4. *Statutes*, I. p. 28.

[3] *Statutes*, I. p. 131, published May 15th, and further enforced by a letter of August 23rd, 1299.

wholly successful, and he felt himself impelled to depreciate the English coinage slightly to bring it more near to the foreign which he could not exclude and which was circulating along with it[1].

Debts.
A.D. 1283. The statute *de Mercatoribus*[2] was intended to assist merchants in the recovery of their debts and thus to encourage them to trade in this country. When they supplied goods and the debt was acknowledged before royal officers in specified towns, they could be empowered under the king's seal to distrain for debt in the default of payment. At Acton Burnel this new scheme was determined on, for trial in London, York, and Bristol; and
A.D. 1285. after two years it was decreed[3] that it should be brought into much more extensive operation by giving similar facilities in many other places, especially in fairs, and empowering a much greater number of royal officers to act in the matter. These privileges were not limited to men from particular towns or countries: all foreign merchants could avail themselves of these advantages, unless in time of war with their native land[4].

[1] Edward III. brought down the standard by issuing coins which were to have a certain international currency. See below, p. 187.

[2] *Statutes of the Realm*, I. p. 53. Very similar privileges had been given by the town of Ipswich to foreign merchants, and doubtless by other towns with large trade. *Black Book of Admiralty*, II. 115.

[3] *Statutum mercatorum. Ibid.* I. p. 98: Queen Elizabeth made provision in a charter of 1582 for the carrying out of the Statute of Acton Burnel in Newcastle. Gardiner, *Grievances*, p. 29.

[4] Omnes mercatores, nisi publice antea prohibiti fuerint, habeant salvum et securum conductum exire de Anglia, et venire in Anglia et morari et ire per Angliam tam per terram quam per aquam, ad emendum et vendendum, sine omnibus toltis maljs per antiquas et rectas consuetudines, praeterquam in tempore guerre; et si sint de terra contra nos guerrina, et tales inveniantur in terra nostra in prin-

There are also many enactments of minor interest which were mostly affairs of police or attempts to promote fair dealing. Very curious are the *Statuta Civitatis Londini* with the regulations for taverns and for securing good order in the town[1]. Care is taken that the levying of taxes should not interfere with production: the villain is not to be amerced on his team (*wainagium*), nor the merchant on his merchandise when a tax is levied on moveables[2]; tenants are not to be distrained till they are heard before justices[3]. There was some attempt too to protect the general public: those who had the right of taking tolls were not to take excessive tolls[4]; and the craft of goldsmiths, who had special opportunities of gaining at the expense of those who gave them metal to work into vessels or ornaments, was submitted to special legislation enforcing the authority of the wardens of their gild[5].

Police.

A.D. 1285.

cipio guerre attachientur sine dampno corporum vel rerum donec sciatur a nobis vel a capitalio Justiciario nostro quomodo mercatores terrae nostrae tractentur, qui terra inveniantur in terra illa contra nos guerrina, et si nostri salvi sint ibi, alii salvi sint in terra nostra. 25 Ed. I. Magna Carta, c. 30. *Statutes*, I. 117.

[1] *Statutes*, I. p. 100. It was necessary that a known citizen should be responsible for the good behaviour of everyone living in the town, so that everyone might live under the eye of a respectable man who was responsible for his behaviour. On this account it was ordained that no one but a freeman of the city might keep a hostelry or inn.

[2] Great Charter of Liberties of England. *Statutes*, p. 114, c. 14.

[3] *Ibid.* c. 29.

[4] First Statute of Westminster, c. 31. *Statutes*, I. p. 34.

[5] 28 Ed. I. c. 24.

Ordene est qe nul Orfeure Dengleterre ne daillours de la seigneurie le Roi ne overe ne face de ci en avant nule manere de vessele de Joiaus, nautre chose dor ne dargent qe ne seit de bon et de verrai alai; Cest assavoir or de certeine tuche, et argent de alay de

Trade thus rendered more free

To criticise such legislation as interfering with the freedom of trade would be to entirely misapprehend the state of the times. Unregulated trade was not to be thought of, as we shall see when we come to consider more closely the nature of the evils provided against, in this legislation and that of Edward III. To substitute for the special customs and privileges of each locality general regulations for the kingdom was a great advance: local immunities created local jealousies, and in later history we see how each town and locality was tempted to demand protection and support against neighbouring communities. Writers who denounce the mistake of protecting English against foreign industry, have forgotten that our country once suffered from the still greater evil of protecting one locality or one market against others in the same shire, and that by substituting general regulations for the bye-laws of each locality, Edward was really freeing trade. The statutes of Edward I. mark the first attempt to deal with industry and trade as a public matter which concerned the whole state, not as the particular affair of the leading men in each separate locality. We have already noted the high development of the Scottish burghs at the commencement of Edward's reign; they never, however, took this most important step, for in the northern kingdom trade was managed

than in Scotland or

le esterling, ou de meilleur alay solunc la volente de celui a qui les ovres sont; Et qe nul ne ovre pir argent qe moneie, e qe nul manere de vessele de argent ne parte hors des mein as overers, tant qe ell soit assaie par les gardeins du mester e qe ele soit signer de une teste de leopart; qe nul ne overe pir or qe tuche de Parys; e qe les gardeins du mestere aillent de shope en shope entre les ouvrers, assaiant qe lor soit tiele come le tuche avant dete, et sil travent nul pir qe la tuche qe lovere soit forfet au Roy. *Statutes of Realm*, I. 140.

not as an affair of state but as the business of traders who met in their own convention and strove to maintain their local privileges and immunities against all rivals. In Germany trade was only in the present century freed from the same sort of disadvantages as those which the first Edward did so much to remove in our own land. *Germany.*

§ 43. Very many of the statutes of Edward II. and Edward III. had some reference either to internal or foreign trade. It is hardly worth while to enumerate the statutes which went on lines precisely similar to those we have already noted, and which dealt with the freedom of foreigners[1], with the coinage of the kingdom[2], and with the usurped right of trading to the detriment of the king[3]. We must look at others somewhat closely in order to understand the meaning of the enactments, before we attempt to judge of their character. It is very interesting to notice the signs of legislation which implied definite principles in regard to the management of trade: what strikes us is the anxiety of the authors of these statutes, as compared with modern legislation, that trade should be in the widest sense of the word *well conducted.* *Edward III.'s legislation* *to promote the good conduct of trade.*

The aim of most of the directly commercial legislation was not so much to increase trade, as to see that it

[1] 9 Ed. III. (I.) c. 1. *Statutes*, I. p. 270.

[2] 9 Ed. III. (II.) c. 1. 3, *Statutes*, I. p. 273.

[3] One of the most common forms of usurping rights was for the owners of fairs to keep the fair open for more days than they were permitted by their charters; the owner of the fair thus procured more tolls than he had any right to and defrauded the king—or some other proprietor of tolls—on transactions that might have taken place elsewhere. The owner was compelled to proclaim the duration of the fair at its opening (Statute of Northampton, c. 15, *Statutes*, I. p. 260), and merchants were punished who kept their booths open too long. (5 Ed. III. c. 5, *Statutes*, I. p. 263.)

Reasonable prices, was honestly carried on, and many of the statutes were intended to operate in favour of *fair prices.* We habitually speak of prices being determined by competition; but after all competition is only the mechanism by which the price is reached, since the price of most commodities of general demand is closely related to the cost of obtaining the materials, together with the remuneration of the labourer in accordance with the standard of living of his class. There is nothing inherently absurd in attempting to estimate the necessary cost and fair remuneration of producing an ordinary manufactured article, instead of being satisfied to let the price be reached by the higgling of the market; and a great deal may be said in favour of this attempt so long as, owing to the social and physical conditions of a country, competition is necessarily very imperfect[1]. In a simple state of society where you have not very many grades of labourers it must have been easier to estimate a fair remuneration than it would be now[2]: and so we hear of *reasonable* wages, and reasonable prices. In regard to the passage between Dover and Calais, there was a statutable limit of what was reasonable—two shillings for a horse and man, sixpence for a man on foot[3]. So too wines were to be sold at a reasonable rate, after taking account of the cost as imported and the distance they had to be carried to any town from a seaport[4]. The whole system of town-gilds and craft-gilds might be roughly described as a network of organisations for estimating what was reasonable[5]

how calculated.

A.D. 1330.

Gilds.

[1] On competition and reasonable prices see below, p. 243.

[2] See however, below, p. 419.

[3] 4th Ed. III. c. 8. *Statutes*, I. p. 263.

[4] *Ibid.* c. 12.

[5] Compare the Assize of Bread (see Appendix, II.), which

in each department of industry and trade. We might possibly translate the idea into modern economic phraseology by saying that they tried to arrange for each article being sold at the *normal* price, without the variations which may arise from accidental circumstances.

But most of all the authorities desired to discourage speculative trading: the speculative trader obtained profits which were not due to any labour on his part, and this, according to the simple morality of an unenlightened age, was wrong. The gains of these speculators were made apparently at the expense of consumers who would otherwise have been as well served and at lower rates. A mode of dealing which was thus obnoxious to public feeling, while it might lead to an evading of royal or burgh dues, was strongly denounced in many custumals and statutes; there was of course most temptation to have recourse to it in regard to commodities which, being natural products, were obtained in different quantities in each year, and for which no regular price could be assigned. Such in particular were corn, wool, and fish; *forestallers* and *engrossers*[1] would make bargains with the country folk and fishermen before they brought their goods to market, and thus buy at an advantage instead of making their purchases

Speculative dealing, and middlemen.

attempts to provide that bread should always be sold at a fair price to the consumer and a sufficient profit to the baker.

[1] Legal definitions of these terms were given in 5 and 6 Ed. VI. 14. Their substance is as follows: *Forestallers* are persons buying Goods or Victuals on their way to a Market or Port; or contracting to buy the same before actually brought for Sale, or endeavouring to enchance the Price or prevent the Supply. *Regrators* are persons buying Corn, Victuals, &c., and reselling them in the same Market Place, or within Four Miles thereof. *Engrossers* are persons buying Corn growing, or buying Corn or Victuals to sell again. *Statutes*, IV. i. p. 148.

fairly in open market. For articles of which the price could only be arranged when the whole quantity supplied was really known, it was considered desirable that the competition should be really free, and that all parties should meet on equal terms; while the engrosser apparently bought at a ruinously low figure from the *producer*, and sold very dear to the *consumer*, thus making a profit at the expense of both.

Importance and

Not only did the legislature desire that trade should be honest, but that the traders should be able to pursue their calling safely. This care for traders did not arise from any very precise theory as to the value of trade in itself. Trade was the means by which many subjects lived, and it was the part of a good king to attend to the weal of his people in this as in other respects; but it was also a matter of royal concern because of the customs it yielded, and if there was a large trade, a great deal of revenue could be gathered from tolls. If then any direct intervention of the king's, or any speculations of the king's, seemed likely to bring him a larger immediate gain, he had no scruple in interfering with the general course of trade for such a purpose. For the rest, we can recognise a sort of feeling that the enterprise of merchants was often carried on at a criminal risk, and that for a man to venture through perils of waters and perils of pirates for the sake of mere pecuniary gain was distinctly immoral. It is a little difficult for us to realise the magnitude of those risks: an English trader might be attacked on his way to Flanders by the Calais pirates[1]; and if he escaped the actual

risks of Trade.

[1] Compare Chaucer's Merchant,

"He would the see were keepud for eny thinge
Betweene Middelburgh and Orewelle."—*Prologue.*

dangers of the crossing he might fall a victim to some mob outrages in the town to which he was bound, and for these he could get no redress; or he might have his goods distrained on account of debts due from some of his compatriots[1]. The statutes which were passed in favour of foreigners by the Edwards give us considerable light on the practice of the times in such matters, while the history of the early years of Edward III. shews us a number of embroglios between English traders and the burgesses of foreign towns[2]. A.D. 1376.

[1] A tres noble Conseil notre Seignour le Roi monstrent les Comites de Wyrcestre, Salop, Stafford, Hereford, Bristul, et Glouc', que come pluseurs Marchauntz et autres Gentz des ditz Comites travaillent a Caleys ove lour Marchaundies, en profist des ditz Comites et de tout le Roialme; Queux Marchantz et autres gentz pluseurs foitz sont arestez, ascun foitz pur trespas, ascun foitz pur dettes des autres hommes des ditz Comites: Desqueux trespas et dettes les ditz Marchantz et autres gentz n'ount rien a faire, et pluseurs foitz n'ount conissance de ceux pur queux ils sount arestez. *Rot. Parl.* II. 352.

[2] The records of the Scotch Burgh Convention are full of interesting illustrations of these points, two centuries later.

In regard to Piracy, these burghs provided at their own expense:

Inlykemaner, that it be proponit to my Loird Regentis Grace and Loirdis foirsaidis, in cais the Quenis Majestie of Ingland will grant and consent that sum of her schippis sall remane upovn her sea coistis and watteris for purging of the samyn of pyratis, and vtheris wicked personis, That inlykwayis it may be grantit be his Grace and Loirdis foirsaidis to the merchantis of this realm, upon their commoun chargis to set furth ane ship with ane bark for purging of our Soueranis watteris of the saidis pyrattis and wicked personis, and for convoying the shippis of this realme langis the cost of Ingland, and vtheris pairtis needfull, from the danger of innemeis, during sic tyme as we sall fynd gude; and incais the samyn be grantit, the commisaris of the burrowis foirsaidis gevis thair commissiovn and full powar to the provestis, baillies and counsaillis of Edinburgh, Dondye, Abirdene and Stervelyng for the said schip and bark to provyde men, meit, mvnition and all vther furnvsingis necessaer thairto, during

Staple towns

As the best means of meeting these difficulties, the merchants of mediaeval towns favoured the establishment of staples, where arrangements could be made for the protection of merchandise and of traders, and where justice could be obtained in case of any dispute between travelling merchants and native burgesses. His predecessors had confirmed the arrangements made, probably by the gilds of different towns, for the establishment of staples, as centres for foreign trade; but Edward III. disapproved of this commercial policy and enacted in the Statute of Northampton[1] that "all staples beyond the Sea and on this side should cease," and "that all merchants, aliens or privileged, should come and go with their merchandises into England." This policy of permitting trading intercourse in all parts of the realm,

abolished in 1328.

quhat time they sall think gude. (1574), I. p. 27. See also above, p. 130.

The Scotch burghs also had difficulties about the reception with which their merchants met abroad. The King of France had refused to permit any Scotch ship to traffic with his dominions, "bot of sic as bringis with yame the kings modirreis, or his lieutennentis, writings in their favouris;" so ten or twelve honest merchants were sent at the common expense to France to procure the rescinding of this proclamation. (1570), p. 16. The King of Denmark too would only admit merchants who carried royal letters, while the burghs wished that their shippers should only carry articles under the seal of the port from whence they sailed, and desired that the Regent would write that this order had been taken for "the honestie of the liegis of the realme," and that he thought it sufficient. (1574), p. 27.

Difficulties about the jurisdiction in the case of quarrels between Scotch merchants and the citizens of the towns they visited (p. 59), about the charges made by foreign pilots (p. 58), and about alterations in foreign tariffs (p. 18), also demanded the attention of the Convention and of their representatives abroad.

[1] *Statutes*, I. 259.

had not much success; experience seems to have proved that the encouragement of trading concourses was more favourable to commerce[1], for staples within the realm were re-established by statute. So far as the staples beyond the sea were concerned the Statute of Northampton probably remained a dead letter, and English merchants continued to frequent their accustomed marts in the Low countries. Instead of continuing to discourage the establishment of staples, Edward next took the wise course of endeavouring to issue such regulations that staples might be as far as possible beneficial to the whole realm. In the early part of the reign the English staple was held in different Flemish towns: but in 1353 it was determined to hold the English staple within the country, at London, Winchester, York and Norwich, and by every possible means to encourage foreign merchants to come to these towns. All sorts of charters were set aside in their favour: and Englishmen were prohibited from trading beyond the sea, either on their own account or as the partners of foreigners. It was hoped that in this way there might be greater facility for collecting the customs, and less loss of English lives and property in the perils of trading. In the statute by which this was effected we get the most complete account of the objects which the establishment of staple towns was intended to serve. A tribunal[2] consisting of two Englishmen, two Lombards and two Flemings, was to be a court of arbitration; and two foreigners were to be associated with the English officials in adjudicating on all matters in dispute, not according to Burgh or com-

A.D. 1353.

Ordinance of the Staple.

Merchant tribunals

[1] See below, p. 185, and note: this policy would also be more convenient for collecting the trade dues.

[2] Ordinance of the Staple, c. 24. *Statutes*, I. p. 341.

and law. mon law, but according to law merchant[1]: and complete arrangements were made for encouraging the merchants of other countries to frequent these marts.

Effects of this policy. Before long, however, it was found, as might have been expected, that these enactments affected the price A.D. 1363. of wool: the staple was moved to Calais, both for the sake of improving the condition of that town and to "raise the price of wool[2]:" the estimated price at

[1] *Ibid.* c. 21. This is perhaps the earliest instance of the recognition of merchant law for the realm, though the sanction which had been given to the customs of particular towns must have had a similar result. The maritime code which was generally accepted in English ports and English seas was one published at first by Eleanor of Guienne, under the title of *Rolls of Oleron*. The *Hogeste Water Recht* of Wisby was the law of the sea recognised by the Hanseatic League. See the *Black Book of the Admiralty*.

[2] Item pour cause que les Leines du Roialme sont mis a petit value, tant pour cause que eles ont amenez hors du dite Roialme en autri Seignurie et Poair ou notre dit Seignour le Roi n'ad Jurisdiction, ne les mesprisions et outrages faitz a les Subgiz poit redrescer, n'amender, come pur soners Eschanges des Monoies et feblesce d'ycelles, et plusieurs autres damages et mischiefs ad este parle et monstre au Conseil nôtre dit Seignour le Roi plusieurs foitz qui bon serroit mettre remedie: Et que la Ville de Caleys qui est a notre dit Seignour le Roi et en il ad plein Jurisdiction, serroit bon place et lieu convenable pur les Leins et demoer des Marchantz, pur eschuer les meschiefs et damages suisditz et par tant le pris de Leines serront amendez et enhancez: Quels choses notre Seignour le Roi serra plus overtement monstrer as ditz Grantz et Communes, d'avoir sur elles lour bon aviz et conseilles. Et outre feust dit que si nul se sente grevez, mette sa Petition en ceo Parliament, et il en avera convenable Respons. *Rot. Parl.* II. 268.

Armstrong's *Treatise concerning the staple and the commodities of the realm* (1519) is well worth perusing in this connexion, as in regard to all matters connected with rural economy, industry or commerce during the centuries immediately preceding the Reformation. He argues that the removal of the staple to Calais was beneficial to the merchant class but injurious to the general public. p. 20.

Calais would be higher than the estimated price at Norwich, since the expense of transport would have to be taken into account, and the payment of royal customs of so much the sack would appear proportionately less onerous. The price would certainly be low if there was a supply of wool which could not be carried off by the foreign shipping that visited the island, and subjects who traded abroad in wool had no protection under the existing laws.

Since the well-being of the subjects was such a prominent aim in all regulations about trade, we cannot be surprised that the legislature attempted to insist on a wise use of wealth, by regulating consumption. During the first half of Edward's long reign there was a great increase of luxurious living; the vast sums that were squandered in tournaments are perhaps the most striking case in point, but all classes appear to have been affected by an extravagant spirit, which reached its highest pitch in the year immediately succeeding the conquest of Calais[1], for it received a sudden check from the terrible destruction that was caused by the Black Death.

Legislation to regulate consumption.

A.D. 1347.

A.D. 1348.

Sumptuary laws have been a favourite expedient with many rulers, and Edward tried to put down luxurious living and extravagant dress. "No man shall cause himself to be served in his house or elsewhere at dinner, meal, or supper, or at any other time with more than two courses, and each mess of two sorts of victuals at the utmost, be it of flesh or fish, with the common sorts of pottage, without sauce or any other sort of victuals: and if any man chose to have sauce for his mess he well may, provided it be not made at great cost: and if flesh or fish are to be mixed therein, it shall be of two sorts

A.D. 1336.

[1] W. Longman, *Life and Times of Edward III.*, I. 290 ff.

only at the utmost, either fish or flesh, and shall stand instead of a mess[1]." A later statute regulates the apA.D. 1363. parel of every class of the community[2], and there is another which prohibits the extravagance displayed by A.D. 1337. many people in the wearing of furs; though this last enactment may have been also intended to increase the home demand for woollen cloth[3].

Protection of resources

This is the only direction in which we see any signs of protection in the modern sense, and even this is protecting English *resources*, not protecting English *workers*. The English breed of sheep was a valuable one, and the wool regarded as better adapted than any other for making fine cloth; but the English had not sufficient skill in the various crafts, so that the wool went abroad and was manufactured there. Edward endeavoured to introduce skilled foreign weavers[4], and to prevent the export of English wool and especially of English rams[5]. Nor can we doubt that his policy was successful, and that the great woollen manufactures of England were in their earliest stages much indebted to his fostering care. This was protection, but protection of a type that Mr Mill regarded as justifiable even in the present day[6].

[1] 10 Ed. III. St. iii. *Statutes*, I. p. 279.

[2] 37 Ed. III. *Statutes*, I. p. 378. Doubleday (*The True Law of Population*) shews that the artisans must have been extraordinarily well off, if they ever attempted to wear the materials which are here forbidden.

[3] 11 Ed. III. c. 4. *Statutes*, I. p. 281.

[4] *Ibid.* c. 5.

[5] That this was not unnecessary may be seen from a letter quoted by Eden, from which it appears that King Alfonzo who died in 1350 had imported English sheep into Spain. Compare also 3 Henry VI. c. 2. *Hist. Poor*, I. 88.

[6] *Political Economy*, v. 10. § 1.

But there is no sign of protection in the sense of favouring English traders and craftsmen as opposed to foreigners. Edward intended to regulate trade for the interest of the consumer, and for the well-being, but never the enrichment, of those engaged in it; and in the interest of the revenue, he interfered with it. With these views he favoured alien merchants, prohibited native shipping, rescinded the privileges of important towns, and encouraged the immigration of skilled workmen. All these steps were wholly inconsistent with modern protectionism, but they seemed wise pieces of commercial policy to Edward and his parliament, since they were intended to favour the consumer at the expense of grasping middlemen, and eventually to increase the royal revenue. *not of workers.*

§ 44. It is important to see how far these measures were successful. The sumptuary laws were an authoritative expression of opinion, but were not probably very effective. The greater part of the laws intended to reduce the gains of middlemen must have had a precisely contrary effect; the great fortune of the de la Poles, and other merchant princes of the time[1], would furnish proof of this, if we could not see on other grounds that it must have been so. *Success of legislation, —regarding consumption,*

It has been noticed above[2] that in every bargain one party is more anxious than the other to effect the exchange, and that the less anxious party is the one who gains most by the exchange: the invention of money did a great deal towards rendering the position of the two parties less unequal; but every statute which put limitations on the times and opportunities for sale, *regarding middlemen.*

[1] Macpherson, *Annals*, 1335.

[2] See above, p. 63.

would increase the anxiety of the more necessitous to conclude their bargains. Those who brought their goods to market and were anxious not to miss the opportunity of replenishing their stores would be very loth to return home with their goods unsold. The middleman who bought to sell was in a far better position for bargaining than the producer of one commodity who sought to sell it and buy another for his use.

Yarmouth herrings. A.D. 1357.

One curious case occurs where we can trace these effects most plainly. In 1357 a statute was passed against the hostelers of Yarmouth[1] and others, who made special bargains with the fishermen and forestalled their goods before they were landed or exposed in open market; a price was fixed of 40*s.* the last, above which no one should buy for the purpose of curing fish; the rate of profit on reselling, and the tolls that might be taken, were carefully defined, and the market was to be held in broad daylight. All these regulations were meant to let the ordinary consumer have a fair chance, and to prevent the middlemen and speculators from having special opportunities of purchase, and so setting an unA.D. 1361. reasonable price for their own profit. But before four

[1] 31 Ed. III. St. iii. The preamble recites the precise grievances. It runs as follows:

Que pour cause que les gentez de Grant Jernemuthe encontrent les peschours, menantz harang a la dite ville en temps de feyre, et achatent et forstallent le harang, avant qil veigne a la ville: et auxint les hostilliers de mesme la ville qi herbergent les peschours venantez illoeqes ove lour harang, ne veullent soeffrir les ditz peschours vendre lour harang, ne meller de la vente dicels, einz le vendent a lour volunte demesne, si chez come ils veullent et donent as peschours ces qe lour plest; pour quoi les peschours se retrehent de vente illoeqes et issi est le harang mis a plus grant chierte qe unqes ne fust. *Statutes*, I. p. 353.

years had elapsed it was found that the results were very prejudicial: whatever ill effects accrued from their speculations, the middlemen undoubtedly had been discharging a needed function. A new ordinance was made, which recites in a most interesting manner the arguments for the statute as well as the evils to which it had given rise: the fishermen had great difficulties in personally attending the public market at the times it was open; while also prosecuting their trade, the collecting of the purchase-money from all the retail buyers took up time which they should have spent in fishing, and the fishers were thus prevented from bringing their fish to that port at all. Besides this, while the statute had thus inconvenienced the fishers, it had done little good to the ordinary consumer; for the middlemen and merchants, or others, no longer allowed to forestall, were now ready to outbid, the retail purchaser: and buy up the fish for curing and for transport to distant, or export to foreign markets[1]. "Every of them by Malice and Envy increase upon other, and if one proffer Forty Shillings another will proffer Ten Shillings more, and the Third Sixty Shillings, and so every one surmounteth other in the bargain, and such proffers extend to more than the Price of the Herring upon which the Fishers proffered it to sell at the beginning[2]." All that could be done was to give the right of selling freely to the fishers whenever they came to port, while

[1] That foreigners should be more cheaply served with good English fish, and the price raised to home consumers in consequence, would have been universally regarded as an evil, for which no cheapening of imports could compensate (see below, pp. 237, 297, 312): and Norfolk men would have a certain jealousy towards the inhabitants of London.

[2] 35 Ed. III. *Statutes*, I. p. 370.

at the same time a prohibition was put on anyone from interfering with another while he was bargaining, in order to outbid him. These regulations are instructive as giving us a clear light on the meaning of a reasonable price: in trying to explain the possibility of calculating it we laid stress on its being a price that was reasonable to ask, on account of the actual labour expended, but it really had a double meaning. The authorities always meant to fix prices so that no one should pay exorbitantly, and also so that no one should be underpaid for his work. The statute of 1357 was directed against overcharges, the ordinance of 1361 against under-payment of the fisher, by which however the consumer did not profit. It was desirable that prices should be low, so that all might be able to purchase what they wanted; but not so low that the producer would be badly remunerated. That prices could not be kept at this reasonable level by mere legislation is true enough, but it is also true that in accepting free competition as the sole determiner of prices[1], we have not succeeded in solving this difficulty, but only settled down in despair of finding a solution at all.

Reasonable prices,

why desirable.

Regarding the staple.

It is much more difficult to estimate the effects of the ordinance of the staple. We have already seen that Edward appears to have disapproved at first, of forcing traders to frequent particular marts, but that he afterwards took this course as offering fewer evils than the other. Under any circumstances, trade must have suffered from the nature of Edward's relations with foreign powers at different times; and the constant changes[2] of the staple, in so far as they were dictated

[1] On competition, and reasonable prices, see below, § 54.

[2] It is to be noticed that the change of staple to Calais in 1363

by the necessities of royal policy, must have been injurious to merchants, though not so injurious as at the present time. All merchants who frequented the market in one town would be able to flock to the market when held in another. It may also be doubted whether the most glaring evil—forcing all trade into one channel—was not justifiable[1] at all events, if not desir-

was only made after special opportunities were given for the expression of public opinion. See above, p. 178, note.

[1] W. Roscher (*Englische Volkswirthschaftlehre*, p. 133) points out *a propos* of the condition of Ireland in the xviith century, that in backward countries where the stream of commerce is too feeble to permeate constantly to all parts of the country, the concentration of trade at certain staple towns or particular fair times is decidedly advantageous for industry and commerce.

The experience of the royal burghs in Scotland led them to adopt a similar course; in fixing their staple at Campfer in 1586 they made the following demands. 1. The confirming of old privileges. 2. Providing a better passage for the entry of ships. 3. To have a berth on the docks where their ships could lade and unlade without disturbance from the fishermen. 4. Protection against extortion on the part of the custom-house officers. 5. All customs to be charged according to an authoritative list. 6 Security against double exaction of the customs. 7. Freedom from 'convoy gilt.' 8. Reasonable charges by artisans and warehousemen. 9. So too by pilots and fishermen. 10. To have premises assigned for their merchants to live. 11. That their conservator should not have soldiers billeted on him. 12. That in all quarrels between Scotchmen and townsmen the conservator should be heard by the court before judgment was given. 13. That in criminal suits among Scotchmen the trial should be conducted by the conservator. 14. That he should have a place assigned him for use as a prison. 15. That they should have a chapel for their own form of preaching and prayers. *Records of Convention*, I. p. 57.

This gives us a picture of the difficulties under which traders laboured: it is not easy to see how they could have been overcome in any other way than by the appointment of staple towns. We know that grave evils existed under the system of staple towns: but

able, in these early times when there was no other means of securing the person and property of the merchants. If the expense of keeping up the officers of the staple was undertaken, there was much to be said for forcing merchants to trade under their cognisance. In modern times a few reckless dealers have caused their countrymen to have a bad name over a wide district of savage lands; there was much to be said not only for providing protection and jurisdiction for English traders at recognised points, but for discouraging irresponsible trading altogether. The constant change of the staple was no proof that the system worked so unsatisfactorily that it ought to be abolished, for many of these were due to political[1] rather than economical reasons.

Commerce and Policy.

(At that time, as for many centuries afterwards, all the commerce of the country was regarded as distinctly subordinate to the royal interests: and regulations were made with the avowed object on the face of them, of assisting the king at the expense of the merchants.) The

Royal trading.

king obtained a grant of wool, and the export of other wool was forbidden that he might have a monopoly of the foreign market; though it seems that the prohibition was not in force long enough, or that all the profit went to his factors, as very little gain accrued to the king[2]. The injury thus done is to be considered in connexion with

apparently worse evils were felt when the system was not in use (2 Ed. III. c. 9) or it would not have been reintroduced. Though Edward interfered with trade without compunction if it suited his policy (as in regard to wool in 1337), it appears that his positive regulations for the staple towns were dictated with regard to the well-being of the trading class and not merely from fiscal considerations.

[1] The Scotch Burghs in 1574 made arrangements for changing their staple to Calais owing to the disturbed state of the Netherlands, I. 26.

[2] Longman, *op. cit.* I. 117. On royal trading, see below, p. 306.

the incidence of taxation rather than as a piece of foolish trade regulation. From the point of view of contemporaries, it would appear not so much unjust, as of doubtful wisdom; for the interference with trade would so far reduce the regular customs, that little if any profit might arise from the extraordinary grants. Besides these attempts at speculation there is little in connexion with Edward's taxation that calls for special attention.

Constant difficulty was felt in Edward's reign about the coinage: his foreign wars caused the export of coin [1], so that it came to be exceedingly scarce: the scarcity of English coin led to the circulation of debased foreign coin, and we find signs of great anxiety to cure these evils [2]. New money was specially coined to have an international currency [3], and the export of good old coins was forbidden. Merchants might take away [4] as much coin as they brought in, though no good English coin; but fishermen [5], coming as they did in small boats, with

Currency. A.D. 1337. A.D. 1335. A.D. 1346. A.D. 1353. A.D. 1364.

[1] Under 1337 Holinshed notes, "The King sought by all waies possible how to recover monie, both to supplie his charges for the Scotish wars and also to furnish the other wars which he meant to take in hand against the French King: he got so much into his hands that it was verie scant and hard to come by throughout the whole realme: by reason of which scarsitie and want of monie, or upon some other necessarie cause, vittels and other chaffer and merchandize were exceeding cheape." II. p. 605. When peace was made in 1348 and wealth poured into England, so that most "English maides and matrons were bedecked and trimmed up in French womens jewels and apparel" (Holinshed, II. p. 649), the drain of coinage would cease and prices would be likely to rise: the simultaneous reduction of the size of the coins would of course make these fluctuations more striking.

[2] 9 Ed. III., Stat. ii. *Stat.* p. 273.

[3] Rymer, *Foedera*, III. p. 77. 17 Ed. III. *Stat.* I., p. 299.

[4] 27 Ed. III., c. 14, p. 338.

[5] 38 Ed. III., St. i. c. 2. *Statutes*, I, p. 383.

no time to pack a cargo, could not be expected to take anything but money for their wares; while, as comparatively poor men, they were not likely to carry on the export of fine English coins as a trade, in the way that the great merchants were suspected of doing. The exception, however, is sufficient to shew that these regulations of currency were not applications of any theory as to the special valuableness of the precious metals[1]. The constant repetition of these statutes proves that the evils against which they were directed did not abate: the king consequently gave up the useless struggle to some extent, by reducing the size and consequently the value of English money, and new coinage was issued of the weight to which the old coins had been rapidly reduced by clipping. The old weight of the penny had been 22½ troy grains: Edward I. reduced it to 22: Edward III. in 1346 brought it down to 20, and again in 1351 to 18. Extraordinary conditions of prices were noted in the earlier part of the reign, and the reduction, together with the importation of foreign spoils and cessation of the drain for war expenses, led to a general rise of prices, which was as usual ascribed to the criminal greed of gain of some class or another. It doubtless gave occasion for some of the commercial legislation considered above, but its most noticeable effect was among the wage-earning classes, who demanded increased wages, and whose demand called forth a series of statutes which require consideration by themselves.

Rise of prices in 1348.

The Black Death;

§ 45. The discontent of the wage-earning classes was brought to a height by a far more terrible occurrence than a sudden rise of prices or a depreciation of the coinage, for in 1348 the Black Death visited Eng-

[1] See below, p. 248.

land[1]. The terror which it caused is noticeable in the extraordinary change which was brought about in the artistic representations of death about this time: the horrors of the actual visitation can certainly not be described, nor, for that matter, easily imagined. It has been argued that about half the population of England was swept away by this visitation[2]: and there was in consequence very great difficulty in obtaining labour to carry on industry either in town or country. This, according to the ideas of the time, was no reason for raising wages. If labourers were scarce, those who could find no one to work for them would have less produce, but that would be all; for they would also have fewer dependents to feed. The fact that the lord of one manor could get no labourers at all, appeared no reason why the lord of another manor should pay the labourers on his estate at a higher rate. If he paid them "a reasonable wage" with which they could get their usual food and clothing by their usual work, that was all they could fairly ask. If the labourers demanded more than the wages that properly supported them, they were merely taking advantage of the destruction caused by the pestilence to extort "unreasonable" wages out of the lords of the manor on account of the necessities of the latter, not of their own deservings: it was as much extortion as was the gain of the money-lender, as immoral as the profits of speculative trading. The righteousness of the labourers' case lay simply in the fact that owing

its destructiveness.

Reasonable wages.

[1] A good account of the causes, nature, and character of this disease as well as of its moral effects is to be found in Hecker's *Epidemics of the Middle Ages*, pp. 1—66.

[2] Mr Seebohm in interesting articles on the Black Death (*Fortnightly Review*, II. 149, IV. 87), argues that the population of England was about five millions before the plague.

to the changes of prices and the depreciation of the coinage[1], the old payments were no longer a "reasonable wage:[2] parliament neglected this fact and legislated against their demands from what was the ordinary point of view in regard to fair dealing[2].

[1] The causes which led to a rise of prices in 1348 have been noticed above: a contemporary author recognised the connexion between the continued demands of the labourers and the advance of prices which was due to the depreciation of the coinage in 1351. Willelmus de Edyngdone excogitavit et fecit insculpi novam monetam, scilicet grossum et dimidium grossum sed haec erant minoris ponderis quam correspondens summa sterlingorum. Quae res fuit expost occasio, quod victualia sive mercimonia fuere per totam Angliam magis cara. Operarii vero et artifices ac servientes proinde callidiores et fraudulentiores solito sunt effecti. Thomas of Walsingham. *Hist. Ang.* I. 276.

[2] As in the case of the legislation for trade, so in regard to these regulations for wages, there is need of a warning against trying to judge about the facts of the time, unless we first attempt to comprehend its ideas: it is difficult to agree with Mr Seebohm or Mr Rogers in thinking that it was unjust to try to prevent wages from being determined by competition, when the prices of goods were not so determined. Both the proclamation and the subsequent statutes attempt to *regulate prices and wages together, both in town and country districts*, and to go back to the time before 1346, when according to Holinshed, everything was so cheap, and all consumers were so well off. It is one thing to shew that this was an unsuccessful effort, and another to shew that the statute was tyrannous. Had it succeeded in keeping wages at the old rate, while the prices rose to a new rate, it would have been oppressive; but this was not the object—and certainly was not the result of the statute.

The corresponding state of things in France is interesting. A great Ordonnance dealing with all matters of trade and industry was issued in 1350, which contains the following clause (Tit. 52, Art. 23). Nulle personne qui prevue argent pour son salaire pour journée, ou pour ses oeuvres, ou pour marchandise qu'il face de sa main, ou face faire on son hostel pour vendre, et desquels il n'est ordonné en ces présentes ordonnances, ne pourra pour sa journée, salaire, ou deniers, prendre que le tiers plus de ce qu'il prevoit avant

While the plague was actually raging Parliament could not meet[1], but a proclamation was at once issued by the king with the advice of certain prelates and nobles, of which the preamble states that "many seeing the necessity of masters and great scarcity of servants will not serve unless they get excessive wages," and that consequently the land can be scarcely tilled. Everyone free or villain, who can work and has no other means of livelihood, is not to refuse to do so for anyone who offered the accustomed wages; each lord is to have the preference in hiring the men on his own estate, but none is to have too many men for his work: no labourer is to leave his employment before the specified time: nor to receive more rations or wages than he did in the twentieth year of the king and the common years before that: none are to give or take more wages in town or country,—for the proclamation mentions saddlers, skinners, taylors, smiths, carpenters as well as farm labourers,—subject to definite and severe penalties. After thus insisting on the old terms with respect to wages, the proclamation insists on reasonable prices for victuals and all the necessaries of life; and announces a strict penalty against valiant beggars who though able to work preferred to wander about as tramps, while those who gave them support were to be imprisoned: this and a previous

Statutes of Labourers, A.D. 1349.

la mortalite, sur les peins dessus contenus. *Ordonnances des rois de France de la troisième race.* II. p. 377. From Levasseur's account it seems that the chief difficulty in France lay with the gilds of artisans who about this time endeavoured to insist on monopoly rates for all work done by craftsmen. *Classes Ouvrières*, I. p. 396.

In England the disturbance of prices affected all persons who lived on fixed incomes, and appears to have been severely felt by Parish Priests, whose demands for increased fees and payments were met by a statute in 1362. 36 Ed. III. c. 8, p. 373.

[1] *Rot. Parl.* II. 225.

clause seem to imply that there was some system organized by the labourers to enforce their demands[1]. The next year the same regulations were enacted by a
A.D. 1350. statute[2], insisting on the accustomed wages for work of various kinds,—mowing, reaping, threshing, of carpenters, masons, plasterers, their servants, tylers, and carriers, as well as shoemakers and other craftsmen,—and at the same time decreeing a limit for the price of corn and other victuals, and insisting on the use of the old measures. Somewhat later[3] the fines which arose from the infraction of this statute were assigned to the commons for three years, to assist them in paying the royal tenths and fifteenths which had been granted in the same year. In the year 1360 the penalties were rendered far more severe, as labourers and artificers were no longer to be merely fined but imprisoned without the option of bail; those who broke their agreement and went into another county were to be outlawed, pursued and branded with F "for their falsity;" while towns where runaways were harboured were to be fined ten pounds[4]. In 1363 the prices of poultry were regulated; and clauses were passed fixing the apparel of men and women of different classes; and also insisting on their keeping to one craft and not trying several[5].

applied to all the wage-earning class,

Such are the statutes of Edward III. on this subject: a cursory glance lets us see at once that the difficulty they were meant to meet was not confined to rural districts, or due to the manorial or feudal systems: nothing is said of villains, and agricultural labourers are

[1] Rymer, *Fœdera*, III. p. 198.
[2] 25 Ed. III. St. ii. *Stat.* I. p. 311.
[3] 25 Ed. III. *Stat.* VII. p. 325 and 31 Ed. III. *Stat.* I. c. 6.
[4] 34 Ed. III. cc. 9, 10, 11, p. 366.
[5] 37 Ed. III. cc. 3, 8—15 and 6, p. 380.

not dealt with otherwise than craftsmen. The chief interest in the matter is that we here find the first definite recognition of a *wage-earning class*, both in country and town, composed partly of villains and partly of men who were free from service. We have heard of craftsmen in their craft-gilds, and of various classes of tenants, as well as *servi* on the manors; but the Statutes of *labourers* deal with men who neither held land, nor were free burgesses, having a dwelling and paying the rates of some town. As born on his estates the labourers mostly came under the jurisdiction of some manorial lord, but they may have sprung from different classes, —some may have been *servi*, who worked for wages instead of rations; some the sons of villains, for whom no holding could be found[1], and who thus worked for wages; some may have been villains and boors who spent the time they could spare from cultivating their small holdings in working for hire. This class had certainly existed before, but it is now that they first secured legal recognition. In the statute of 1350 special permission is given to the people of the counties of Stafford, Derby and Lancaster, of Craven, and the marches of Wales and Scotland, to go about seeking for work in time of harvest, as they were wont to do before this time[2]; they had worked as labourers before, but now this class was for the first time recognised in the statutes of the realm.

or labours, in town or country.

In this statute the wage-earning labourer in the

Character of the Statutes.

[1] As noted above, a comparison of the *Domesday* and *Hundred Rolls* seems to shew an extraordinary subdivision of holdings: a further increase of population would necessarily lead to the existence of a landless class: while villains with small holdings would labour when they could get employment.

[2] *Rot. Parl.* II. p. 234.

country, and the wage-earning servant of the craftsman, first gets a recognised position. Nor is it obvious that these statutes were at all oppressive according to the ordinary morality of the time: they only tried to keep the labourer to his old rate of pay, and by regulating prices[1] to ensure that the pay should secure the same real reward as before. It is quite likely that in the twentieth year (1346), the effect of the depreciation in that year and in 1344 was not yet apparent in increased prices, owing to the still continued drain for the French war; the parliament sought to put every one in the same position, and make wages and prices the same as they had been in that year. From their point of view it was not unjust to punish any labourers who took advantage of their masters' necessity, nor to punish men who could work but preferred to tramp the country and beg. They simply applied to the labourers the same standard of fair dealing as was applied to bankers and merchants and everyone else.

At the same time, with a depreciated currency, it was impossible to move back to the economic condition of the years preceding 1346: we have already seen that the various statutes for regulating prices and so forth were unsuccessful, and the result was that the wages of labour came to be determined by *competition* rather than by custom. The immediate effect was a great, and, on the whole, a permanent rise in the wages of labourers. Mr Thorold Rogers has collected figures which go to shew that wages rose 40 per cent., while corn rose 19 per cent. during the following half century so that the labouring class must have been absolutely better off than before the pestilence[2].

Competition wages;

[1] This is the constant feature all through; compare 13 Richard II. St. i. c. 8.

[2] *Fortnightly Review*, IV. 92.

Undoubtedly they were better off relatively to each of the other classes of the community. With a sudden rise of wages of this kind, the whole social machine was thrown out of gearing. The lords who had employed hired labourers on their domain, and the more wealthy villains who had relied on hired assistance on their holdings, suddenly found themselves in great difficulties, and similar difficulties were obviously felt in the towns. The dearness of hired labour had long-continued effects on industry, for the success of the labourers in carrying their point and securing the determination of wages by competition, rendered it futile to attempt to determine prices by regulation: the phrases "reasonable wages" or "reasonable prices" ceased to have a meaning, when anything came to be reasonable which a man could obtain in open market. It was only gradually, however, that this was recognised: another effect was more immediate and more patent, for the dearness of labour brought about a change in the system of land management which had been in vogue from times long prior to the Norman conquest. *and dearness of labour.*

§ 46. The confusion which was caused in rural districts by the demands of the labourers proves that a large part of the agricultural labour had been done by hired labourers; and these would chiefly be employed on domain lands, or by the wealthier tenants. The services of the boors and cotters were not entirely commuted, and in many districts the lord could claim a considerable portion of their time in harvest, and at times of special stress; but the regular weekly services were chiefly commuted for payments, and the greater part of the regular work was done by hired labourers. Under these circumstances the duty of the bailiff must have come to be different from that described by Fleta: he would not *Former rural economy: occasional services: labourers.*

have to see that the services of the villains and their share of the stock were properly rendered, so much as to superintend the hired labourers and pay them their wages, as a modern farmer does: his oversight of the villains would only be in regard to the occasional services. But when labour became suddenly so much dearer (while the price of corn did not rise proportionately), it must have been impossible to make farming with hired labour pay; and if the domain lands were to continue to produce corn at all, it was necessary to adopt some other plan. The natural scheme was to carry out the system of allotting additional holdings, not now to villains who owed service, but to labourers who were willing to pay—not for exemption from service—but for the use of a part of the lord's domain. These labourers were not however such substantial men as to be able to stock the land themselves; besides, the lord would no longer need the stock on his land if he ceased to work it; the lord's stock was used by these new holders on definite terms, till they so far prospered as to be able to purchase the lord's stock, or to stock the land themselves. Professor Thorold Rogers' long study of farming accounts has led him to form the opinion that the transition period lasted about fifty years[1]; and that during that time the new holders had land on rent and also used the lord's stock; but that at the end of these fifty years they had so thriven, that they came to own the stock on the land which they farmed by their own labour. Thus a class of yeomen farmers who were independent tenants of the modern type was formed[2].

Rise of wages.

New holdings.

Tenant or yeoman farmers.

[1] *History of Prices*, I. 25.

[2] Professor Rogers (*op. cit.* and *Fortnightly Review*, III. 196) speaks of this class as analogous to the metayers: but taking his

The rise of the labourer class to a better position, and the terms which the new class of yeoman farmers had secured for themselves, immediately excited the jealousy of those who had been above them in the social scale, but had not risen still higher along with them. The boors and cotters paid labour-dues which may not have fallen far short of the rents of the new farmers, but they were also liable to be called on for occasional services, as for example at harvest time. As labour became dearer these services would be more rigidly exacted for the domains, until the lords abandoned the bailiff-system; while the tenant farmers were free from all such obligations. A very general attempt seems to have been made by the villains to dispute the validity of the claim for such services. With the help of counsellors and abettors they procured authoritative extracts from Domesday book, on the strength of which they resisted the claims of their manorial lords to their customary services[1]. Others took advantage of the death of bailiffs and other disorganization due to the Black Death to fabricate documents which might impose on the new officials[2]. There is plenty of evidence that the storm had been gathering for some time before it burst; and there is no difficulty in understanding that the position of the villains had become a galling one, not from any change in their own lot, but by the contrast between their condition and that of others. The villains had paid their dues and had in addition rendered

Discontent of villains, at the demand for service,

and attempts at evasion.

own description of their position there was a considerable difference. The essence of the metayer system is that the lord takes the half (or other fixed proportion) of the produce, be it large or small: a tenant paying a stipulated sum, even if he did use the lord's stock, would have the whole risk, not a divided risk as in the true metayer system.

[1] *Rot. Parl.* III. 21.

[2] *Gesta Abbatum S. Albani* III. p. 328.

occasional service for many years[1], and no evidence has been adduced to support the opinion[2] that they had ever before been free from these double demands. None the less was the grievance bitterly felt, and the whole right to demand such services, or to hold the position of a manorial lord, was eagerly canvassed. The teaching of Wyklife, or at least of his followers[3], did much to

[1] Cases of this kind may be found in very different quarters: Cullum (*Hawsted*, p. 106) quotes from the valuation of a Suffolk Manor taken in 1362. "Thomas Frame holds I messuage and xxx acres of arable land and pasture at the yearly rent of xx*s.* to be paid, by equal portions at Easter and Michaelmas, and at Christmas IIII*d.* called offering silver, besides I cock and II hens at the same time. And he shall mow the lords meadow IIII whole days. And all the customary tenants when they mow the lords meadow, shall have one bushell of wheat for bread, and VI*d.* for drink; and one whole days produce of the manor dairy for cheese. And he shall reap VIII whole days in autumn; and shall have every day a wheaten loaf, XV of which are made of I bushel of wheat, and II herrings at nine o'clock for dinner."

Very similar was the case of the Kelso tenants at Bowden in Roxburghshire in 1290. "The monks had twenty-eight husbandlands there, each of which paid 6*s.* 8*d.* of money rent; but to this were added considerable services in harvest and sheepshearing, in carrying peats and carting wool, and fetching the abbot's commodities from Berwick. These stipulations are exceedingly precise, fixing even the service, in which the husbandman was to have his food from the abbey, and where he was to maintain himself." Innes, *Scotland in Middle Ages*, p. 139.

In the *Hundred Rolls* we find many instances,—e.g. in Milton referred to above,—where the free tenants pay money which is stated to be in lieu of service, and most probably was a comparatively recent commutation. The precise services due from each villain are not stated, but he is said to owe service worth so much: the stated value however appears to be a concise method of summing up the full details of the precise services due, which were preserved in the manorial records.

[2] Thorold Rogers, *Fort. Rev.* III. 196.

[3] In 2 Henry V. I. c. 7 the Lollards are represented as nihilists

stimulate these communistic murmurs; and the glorification of a life of poverty, which was the key-note of the teaching of the friars, gave religious support from a very different side to the outcry against the rich. Such were the elements of jealousy and discontent which prepared for the rising of the villains in 1381.

Political discontent.

Political feeling also entered into the matter: the non-success of English arms, when contrasted with the glorious victories of the Black Prince, gave general dissatisfaction, and the imposition of a poll-tax which burdened the labourers and villains, and adult members of their families, as well as the commercial and baronial classes brought the discontent to a head[1]. We cannot assign one cause only: generally spoken of as the villains' revolt, it met with active sympathy from other classes as well. Our most complete accounts of it come from S. Alban's; and the copies of charters, and manumissions which the villains drew up and forced the monks to sign, supply most instructive evidence as to their real aims. The story of their proceedings gives us the idea of an organised rising where the leaders had tolerably well-defined objects and succeeded in restraining their followers from wild acts of cruelty such as stained the peasants' risings in France and Germany. They aimed at securing a legal status by the violent means of destroying legal evidence: the proposals which Shakspere puts in the mouth of Jack Cade are more appropriate to the rising under Tyler and Ball. Whatever the precise causes and occasions may have been, all the indignation was directed against the great landowners, whether cleri-

A.D. 1380.

A.D. 1520.

who intended to destroy the king, the estates of the realm, all manner of policy and the laws of the land as well as of the Christian faith.

[1] Walsingham, *Hist. Ang.* I. p. 454.

cal or lay; the obligation to use the lord's mill[1], was a cause of special dissatisfaction, and so were the tolls which tenants had to pay at the lord's market. Since the bailiffs demanded the services implied in the manorial domesday books, the agitators tried to burn the muniment rooms[2], and thus to erase all evidence of their servitude; while they also strengthened their position by extorting

[1] The villains on breaking into S. Alban's abbey at once took possession of the hand-mills which the abbots had confiscated. *Gesta Abbatum S. Albani*, III. pp. 309, 329, 346. This popular feeling gave additional point to the address of Jakke Mylner, where the state is compared to a windmill. Knyghton, 1381. Compare also Sir Walter Scott's description of the Miller of Melrose and his anxieties, in the *Monastery*, c. 13. In 1737 there was much dissatisfaction at Manchester because the millers of Manchester insisted that all the inhabitants should grind at their mills "tho' they were not able to serve half the town." See the epigram in the *Gentleman's Magazine*, 1737 (VII. p. 307).

But the particular grievances that seemed most oppressive differed in different places: at Cambridge the townsmen rose against the University, and first attacked Corpus Christi College, "because that college was endowed with many candle rents, so that a sixth part of the town is said at that time to belong thereunto." Fuller, *Hist. Univ. Camb.* p. 53.

The *Jacquerie* was so purely destructive that it is hardly possible to compare it directly with the English revolt; though both were revolts of villains paying services, both aroused against baronial and knightly oppression, at times when the Monarchy was weak. There is however a very close analogy between the English revolt and that of the German peasants, especially in the desire of both for a political absolutism. See Roscher, *Geschichte der Nat. Oek.* p. 79: and compare the assertions of the English peasants that they were loyal to the king: they certainly did accept his leading. The Russian empire is probably a nearer approximation to their ideal, than exists elsewhere in the world.

[2] Walsingham, *Hist. Angl.* I. p. 455.

The revolt has thus a family likeness to the great revolution in France. See Maine, *Fortnightly Review*, XXI. N. S. p. 462.

charters of manumission. The endowed clergy whether monastic or secular were often engaged in disputes with the friars and the followers of Wyklife; and both classes furnished recruits who were delighted to join in this attack on their wealthy rivals. So far as they had a positive political programme, it was the establishment of a free peasant proprietary, to be governed by the king as absolute monarch without the intervention of the nobles and knights whom they looked on as their oppressors. *The friars and lollards.*

It has been generally, but too hastily, assumed that the villains were practically successful, and that despite the repressive statutes, and the forcible retraction[1] of the manumissions[2], the peasants really gained their ends. If the revolution had really been successful on its social side, it is hard to see why it was so inoperative politically: there is incidental evidence of the continuance of serfdom long after the time of the revolt. The tone of Walsingham's writing favours this view; Henry VI. legislated about his villains, or bondsmen, in Wales[3]; but much more conclusive is the direct evidence of Fitzherbert, who, in the fourth decade of the fifteenth century, laments over the continuance of villainage, as a disgrace to the country[4]. Their own rebellion failed, but the slow agricultural revolution which rendered their services less useful to the manorial lords, gradually set the villains free by removing the interest their masters had in retaining a hold upon them. *The failure of the rising.*

[1] 5 Rich. II. *Stat.* I. c. 6, also c. 8; and 6 Rich. II. *Stat.* I. c. 4. 9 R. II. c. 2.

[2] Rymer, *Foedera*, IV. 126.

[3] 25 Henry VI. *Statutes* II. 344.

[4] *On Surveyinge*. See Appendix I. for the full extract.

II.

Social Grievances.

47. Objects and powers of Gilds. 48. Changes in Craft-gilds. 49. Changes in rural economy. 50. Social Disorganisation.

§ 47. We have traced the efforts on the part of the legislature to secure and regulate the trade of the country during the last quarter of the thirteenth and the fourteenth century; but there were many important functions which it was not then possible for the central government to perform, and plenty of scope was left for the energy of local authorities. It was the chief care of the various town authorities, as of the legislature, in regulating such matters that trade should be honest and work good.

Local government.

It would appear that the changes which were introduced under the Edwards, and the care which was bestowed on trade by the legislature, increased rather than lightened the duties of the town authorities. The security that was given to foreign merchants would induce them to flock to this country in greater numbers: the regulations in regard to tolls and markets would favour the development of internal trade; and the increase of trade both at home and abroad would react favourably on the production of the country. For the present we may turn our attention to the arrangements that were made in the towns for the due regulation of the increasing numbers of craftsmen, by the growth and recognition of *craft-gilds.*

Craft gilds.

We have already seen something of the part played by the frith-gilds, and of the power obtained by town-gilds; and we have found traces of the existence of a craft-gild in London, soon after the Norman conquest[1]; but it was in the fourteenth and fifteenth centuries that these last societies multiplied most rapidly, and attained to their greatest importance. There were numerous gilds, many of which had no connexion with either industry or trade, but which were an important element in the social and religious life of the burgesses in these days: most of these had been founded during the fourteenth century, and by their very numbers bear witness to the increasing wealth of the townsmen. So numerous were they that it was determined at the Cambridge Parliament, held in 1388, to obtain returns of all the gilds in the country,—their membership, oaths, meetings, property, and if they had any, their charters and privileges[2]. The formation of a gild appears not to

Social and Religious gilds in XIVth century.

The returns.

[1] See above, p. 129 and below p. 205 note.

[2] The writs will be found in Toulmin Smith's *English Gilds*, pp. 127, 130. While the social and merchant gilds often held property, no return was required as to the property of the craft-gilds, from which we may infer that they were not at this time wealthy bodies. The returns are sometimes made under one writ, sometimes under the other: the great gild of S. John of Beverley of the Hanshouse was returned as a craft-gild (p. 150) and its charters are given, but not its property. The smiths of Chesterfield had a gild in regard to which they made returns under the social writ (p. 168). The Gild Merchant of Coventry held lands which gave a considerable annual return which they spent in works of piety, maintaining thirteen men and women who were past their work, and providing a house for the reception of pilgrims and strangers (p. 231). Most unfortunately few returns remain in regard to craft-gilds; and those which do exist throw more light on the management of the gild and its meetings, than on the management of the craft by the gild. It

have required any special permission, but to have been undertaken voluntarily by those who approved of its object[1]. In the case of religious gilds, the bishop sometimes added his sanction and approval, as in the case of the gild of the Holy Trinity at Cambridge, which was formed in 1377. Its ordinances received the approbation of the consistorial court of Ely on 1st May, 1384, "according to the course and computation of the English Church[2]," while special favour was shewn to its members and benefactors. Many of the gilds were formed without royal sanction, though some, like the gild merchant at Coventry, afterwards obtained it.

is however instructive to notice that no hard and fast line can be drawn between the various classes of gilds: craft-gilds had a religious and social side, and the members of religious ones cared for the needs of their brethren. It is however convenient to speak of those gilds which were *publicly recognised authorities* for the regulation of any craft, as craft-gilds.

[1] Compare the Gild of the Lord's Prayer at York. "As to the beginning of the said gild, be it known that once on a time, a play, setting forth the goodness of the Lord's Prayer, was played in the city of York; in which play all manner of vices and sins were held up to scorn, and the virtues were held up to praise. This play met with so much favour that many said—'Would that this play could be kept up in this city, for the health of souls, and for the comfort of the citizens and neighbours.' Hence, the keeping up of that play in times to come, for the health and amendment of the souls as well of the upholders as of the hearers of it, became the whole and sole cause of the beginning and fellowship of the brethren of this brotherhood." *English Gilds*, p. 137.

[2] Secundem cursum et computacionem ecclesie Anglicane. *English Gilds*, p. 262. The national character of the English Church in the fourteenth century and the fact that it was ordinarily distinguished from the Roman Church are too often ignored. The first clause of Magna Carta is noticeable in this connexion: quod Anglicana ecclesia libera sit, et habeat Jura sua integra, et libertates suas illesas.

In a somewhat similar way, gilds which had been formed for friendly or religious purposes by members of the same craft were sometimes recognised by the town authorities, or by royal charters, and made use of as the best means of regulating a particular craft, in a particular place[2]. *Craftgilds.*

[1] This friendly spirit shews itself in many of the ordinances for the craft, such as those which were intended to prevent competition between the members of the gild, or to prevent one member from enticing away the servant of another.

The craft-gild was something of a friendly society. Members were expected to go shares in specially favourable bargains; as late as 1723 a bye-law insisted that a freeman of the Joiners and Carpenters of Worcester who bought timber, must allow any other freeman to have a share—not exceeding one-third—at cost price. (Brentano, *Gilds*, p. 67.) Besides this many of them were charitable associations and assisted the poor or unfortunate members. The Whitetawyers (or white leather-dressers) ordained, "If by chance any one of the said trade shall fall into poverty, whether through old age, or because he cannot labour or work, and have nothing with which to help himself, he shall have every week from the said box 7*d.* for his support, if he be a man of good repute. And after his decease, if he have a wife, a woman of good repute, she shall have weekly for her support 7*d.* from the said box, so long as she shall behave herself well and keep single" (1346). Riley, *Memorials*, p. 232. The friendly side of the ordinances of this craft is particularly prominent: the members were also bound to aid each other in case of a stress of work.

[2] When Royal Letters patent established rival jurisdictions in the same town, as in the case of Edward IV.'s charter to the Tailors of Exeter, frequent disagreements ensued. In the case of Exeter the Tailors' Gild and town authorities appear to have worked harmoniously when they obtained a parliamentary decision which rendered the Mayor supreme over the Gild, by empowering him to suppress it. *English Gilds*, pp. 299—312.

Precisely similar difficulties occcured from similar causes between the Weavers' Gild who were a corporation, paying an annual ferm to the crown, and the City of London. The story is told at some length by Madox, *Firma Burgi*, p. 191.

Their formation

The fullest accounts of craft-gilds come from the city of London, and we can most easily trace there the steps taken in the *formation* of such associations. Sometimes it was necessary to remedy an evil, in regard to which the town authorities felt that they could not act without special knowledge. A complaint was tendered to the Mayor and Aldermen of London[1] that many persons bought "pots of bad metal and then put them on the fire so as to resemble pots that have been used, and are of old brass," to the great deception of the public, "for the moment they are put on the fire and exposed to great heat, they come to nothing and melt." "By which roguery and falsehood the people are deceived, and the trade aforesaid is badly put in slander." The Mayor and Aldermen took the best step for protecting the public from deceit, and the honest craftsmen from slander: they appointed four dealers and four founders in the trade to decide on the right proportions of lead and copper to be used in the trade for the future. This is a typical case of the way in which craft-gilds rose to importance: the regulation of some particular industry was committed by the Mayor and Aldermen of the town, to the most respected men in the craft,

That causes of disagreement would arise is obvious; the wardens of the gild claimed to decide in disputes between purchasers and craftsmen; if a freeman of the gild were not also a burgess of the city he had no right to sell his wares; all these matters render divided jurisdiction a danger, but the town authorities rather favoured the growth of gilds which did not defy their jurisdiction. In the charters granted to craft-gilds by Edward III., the jurisdiction of the Mayor of London is carefully saved. The good men of the Skinners were to make security for bad furs, but the Mayor was to punish. (Riley, *Memorials*, p. 154.) So too the Girdlers, p. 155, and the burning of false blankets, p. 212.

[1] H. T. Riley, *Memorials of London Life*, p. 118.

as they were the people who best could judge of what was serviceable for their customers and reasonable for the producers.

and powers;

When a gild was thus recognised by the town authorities, as the proper authority for the regulation of one particular craft, pressure was put upon all the persons who worked at that trade within the town, to submit to the control of the gild. What was the use of fixing on the quality of metal that ought to be used, unless some steps were taken to see that metal of this quality was actually used? It came to be the duty of the wardens of each gild to see that the work of the members was really well done; and the townsmen believed it was for their interest to prevent the production of wares by irresponsible craftsmen who were not superintended by the wardens of the craft. In this way each craft-gild obtained a monopoly of the production of a particular set of wares[1]; and the gild authorities were the proper arbiters in any dispute between different members, and the most satisfactory assessors in case of any dispute between craftsmen and the public, or between two bodies of craftsmen[2].

their regulations

The fact that the gild authorities had complete authority over those who worked at any particular craft in one town, enabled them to enforce the regulations that

[1] Not at first a monopoly in a bad sense; for all who chose to submit to the regulations of the wardens and pay the dues could practise the trade. And the wardens had not always a complete oversight at first; provision was made in the Cutlers' ordinances for those of the trade who do not wish to be judged by the wardens of the trade for the time being. Riley, *Memorials*, p. 218.

[2] Disputes not infrequently occurred between two different craft-gilds that were both concerned in the manufacture of one article. For instance, the Saddlers and Makers of Bits or Lorrimers (Riley, *Memorials*, p. 156), or the Cordwainers and Cobblers, p. 539.

seemed to offer the best security for honest work. The fundamental principle of the whole system was that each freeman of the gild should work, not for his own private profit, but for the reputation and good of the trade. And this principle had many applications: it led to the condemnation of night-work, as that was likely to be bad work[1]; and to a limitation of the number of apprentices that each master employed, so that all might be properly trained during the years which were fixed on as the necessary time for learning to work well.

and social influence.

But the influence of the craft-gild was not confined to the mere performance of work, it affected the members in all the relations of life. The wardens of the craft were the best persons to secure the good behaviour of all for whom they were responsible. Their right of search enabled them to check bad work and the use of bad materials and tools[2], but it also enabled them to

[1] "In the first place that no one of the trade of the Spurriers shall work longer than from the beginning of the day until curfew rung out at the Church of Saint Sepulchre without Newgate by reason that no man can work so neatly by night as by day. And many persons of the said trade who compass how to practise deception in their work, desire to work by night rather than by day; and then they introduce false iron, and iron that has been cracked, for tin, and also they put gilt on false copper, and cracked. And further, many of the said trade are wandering about all day, without working at all at their trade, and then when they have become drunk and frantic, they take to their work to the annoyance of the sick and of all their neighbourhood, as well by reason of the broils that arise between them and the strange folks that are dwelling among them. And then they blow up their fires so vigorously that their forges begin all at once to blaze to the great peril of themselves, and of all the neighbourhood round." *Memorials*, p. 227. See also the Cutlers' Articles, p. 218.

[2] "That certain persons of the trade of cutlery shall be chosen by advice of the Mayor and Aldermen and by assent of the cutlers that

exercise an oversight over the respectability of their members. In the very forefront of the gild regulations stand ordinances which have regard to the good behaviour of the members and thus both to the good order of the town and the good reputation of the trade. (The craft-gild was not only an organisation by which the town authorities secured honest work of some kind, but also a branch of social police, by which the good behaviour of a certain group of citizens could be seen to[1].) Attention has been already called to this matter in connexion with the provision made by a statute of Edward I. for the due superintendence of strangers: each craft-gild became responsible for exercising some control over newcomers to the town who wished to practise their particular trade[2], and each master craftsman was responsible for the good conduct of his apprentices, since the head of each household was responsible for his family.

Craftsmen

§ 48. Such was, in outline, the character of the craft-gilds[3] in the fourteenth century; but during that century

so they may search and make assay of all manner of cutlery that they shall find, both in houses and out of houses, as well in the hands of workmen as in the hands of dealers, without sparing any person, rich or poor." Riley, *Memorials*, 218.

[1] This point is treated at some length by Ochenkowsky (*Englands wirthschaft. Entwick.* 63—75), who regards this as the main function, which led to the recognition of craft-gilds by the town authorities.

[2] "That no alien of another country or foreigner of this country shall follow or use the same trade unless he is enfranchised before the Mayor, Aldermen and Chamberlain, and that by witness and surety of the good folks of the said trade who will undertake for him as to his loyalty and good behaviour." Articles of Spurriers. Riley, *Memorials*, p. 227.

[3] Brentano's interesting sketch of craft-gilds in his *History and Development of Gilds*, is coloured by his constant attempts to find analogies beween mediaeval gilds and modern trade unions. Several important criticisms and corrections are made by Ochenkowsky

a change was taking place in the larger crafts, which gradually extended to others as well. The craftsmen who formed these gilds were skilled workmen, who had a personal acquaintance with the work to be done,—and not mere employers of labour, they were moreover themselves dealers who sold their wares to the consumers, and could judge of their wishes. The craftsman himself performed the functions which are now discharged by the artisan, the employer, and the shopman[1]. As trade extended, however, there was naturally a tendency for one man to devote himself more to one, and another to another of these employments, and we find signs of severance between the members of a craft who were chiefly dealers and those who were chiefly actual workers. This shews itself most clearly in the industries which produced articles of foreign demand, like hides and woollen cloth; but it may also be noticed in the brass-pot trade, to which reference has been made above[2]. The dealer, from his connexion with other markets, was both in a position to procure materials for the workers, and also to dispose of their wares; and thus we have the dealing craftsman assuming a position of greater importance and greater wealth than the working craftsmen. Many of the workers were not householders, but lived as *journeymen*

Division of employments:

dealers,

workers,

(*Englands wirthschaftliche Entwickelung*, pp. 51—150). Toulmin Smith's valuable collection of returns (*English Gilds*) throws comparatively little light on the proceedings of craft-gilds: by far the fullest source of information is in the *Liber Custumarum* and other London records. A great deal of the evidence they furnish has been collected in Riley's *Memorials of London* and Herbert's *History of the Livery Companies*.

[1] Not to mention the many other intermediaries which come between the 'hands' and the consumer of some wares in the present day.

[2] See p. 206.

in the house of a master, who was consequently responsible for the behaviour of all the inmates to the town authorities. The relation of master and journeyman was not that of capitalist and labourer, so much as that of two fellow-workers, one of whom, from his superior status, was responsible to the town for the conduct of both[1]. Those workmen too, whose business it was to prepare the materials used by other craftsmen, occupied an inferior position in the social scale. The old system was incompatible with the expansion of industry, and the progress of industry rendered these divisions of labour natural. Every severance of employments, implying as it did a saving of time and saving of skill, gave new facilities for the production of wares, and every extension of the market rendered further divisions possible[2]. But the changes which favoured increased production led directly to differences of grade between gilds, or between men who were members of the same gild.

subordinate crafts.

Increased production.

During the fourteenth century these different classes of craftsmen appear to have worked together very harmoniously on the whole: they settled their differences between themselves, or they struggled together to gain

Severance of interests:

[1] The gild regulations throw interesting light on the position occupied by men and women workers at the same craft during these times; and indeed on the whole position of women in society then. By far the greater part of the social and religious gilds consisted of equal numbers of brethren and sisters; and the interests of women workers were carefully attended to by craft-gilds. When an effort was made to arrange the social system in accordance with reasonable considerations it was possible for a woman to take her rightful place as a responsible member of society. The advance of modern civilisation and introduction of free competition have so far tended to the depression of the weak, as to bring about the low rates of pay for women's work.

[2] Compare J. S. Mill, *Political Economy*, I. 8, § 6.

more favourable terms after the Black Death[1]. It is with the steady progress of commerce and increasing superiority of the dealing craftsmen, at the end of the fourteenth and beginning of the fifteenth centuries, that a decided difference of interest begins to appear. The young men (or *yeomen*) of the saddler's trade[2] had a gild of their own: if this had only existed for social and religious purposes, no exception would apparently have been taken; but they made use of their gatherings to combine to insist on terms which were disadvantageous to the masters. From this time onwards we find traces of interference on the part of the town authorities, and subsequently legislation in the interest of the workers—the journeymen, masters in a small way of business, and members of subordinate crafts. The management of the London craft-gilds came to be more exclusively in the hands of the dealing members, and they were thus transformed from associations of workers who dealt in their own wares, into corporations of traders; especially was this the case with the Twelve Companies which "comprised the chief commercial staple and manufacturing interests of the kingdom[3]."

Yeoman gilds:

protection of workers.

London Companies;

They were partly forced into this position by their competition with foreigners, who took advantage of their trading privileges to plant factories where industry was carried on. This was a practice which the Hanse League everywhere adopted; and there was an obvious unfairness in men, who paid no rates, taking advantage of their commercial privileges to undersell native crafts-

competition with Hanse League,

[1] Workmen and labourers struck against the wages given by Edward III. for building his palace at Westminster in 1353. Riley, *Mem.*, p. 271.

[2] Riley, *Memorials*, p. 542.

[3] Herbert, *Livery Companies*, I. 37.

men. Even while the craft-gilds were becoming mere trading corporations, they were fighting a battle in which the interests of the workers and the dealers were at one: but those who had borne the brunt of the struggle were tempted to secure for themselves the chief share in the enjoyment of the fruits of victory[1]. In accordance with these changes the system on which the affairs of the London craft-gilds were managed was remodelled, and they became much more exclusive than had previously been the case[2]. At the same time their increasing wealth enabled them to claim, and obtain, a more immediate voice in the management of the city[3]. *and municipal power.*

In no other city were the opportunities for dealing so great, and in none was the change in the craft-gilds so striking as in London; but similar causes were at work in some slight degree all over the country, and in so far as any particular craft-gild was affected by them, it was rendered less fit for securing the reasonable regulation of wages and prices in its own department of industry[4]; because the wardens were no longer in such immediate contact with the actual consumers, and so fully cognisant *Regulation of prices, &c. becoming impracticable.*

[1] The beginning of a hurtful monopoly among the craft-gilds in France may be traced from their bitter struggle against baronial disorder: the kings failed in their attempt to repress this spirit of monopoly. Levasseur, *op. cit.*, I. p. 453.

[2] Brentano, *Gilds*, p. 85.

[3] At first by mere violence as in the appointment of Nicholl Brembre Mayor in 1385. (Herbert, *op. cit.*, p. 38.) Subsequently they obtained more rightful influence (15 Ed. IV.), *ibid.*, p. 107.

[4] A strong feeling of dissatisfaction against the craft-gilds is expressed in 1437 (*Rot. Parl.*, IV. p. 507) at 'their little reasonable ordinances,' their usurped jurisdiction, and their being confederated for their own single profit and to the common damage of the people. The remedy is sought in their more complete subjection to the justices. Compare Armstrong's *Treatise* (1519), p. 45.

of the conditions of production. More than this, the attempt to regulate prices and wages was breaking down on other grounds. The alterations in the currency, and the great social changes caused by the Black Death, operated together to render it impossible for the legislature to re-enforce the old scale of wages; while the increase of trade rendered it more and more difficult to take in at one view all the conditions of production, and thus to calculate a new, a reasonable rate of wages and a reasonable price for wares. (If the development of trade was breaking down the old craft-gild system, it was not less truly altering those social conditions in which the craft-gilds had served a necessary purpose.)

Experience of gilds embodied in legislation.

And yet the experience which had been gained under their regime was not wholly thrown away: each gild had framed regulations which seemed reasonable for workers and consumers in their own town: and the legislature[1] secured by statute for the whole country what had been proved advantageous in any one part. Each craft-gild deemed it good that the members should work only at one trade, and thus be thoroughly good at his own business; and the legislature took a similar line[2]. Each craft-gild deemed it good that every man should be pro-

[1] Compare the arrangement for the fixing of 'reasonable' wages. The justices were to assemble, "and call unto them such discrete and grave persons . . as they shall think meete, and conferring together respecting the Plentie or Scarcitie of the tyme, and other circumstances necessary to be considered, shall have authority . . to limit rates and appoint the wages." 5 Eliz. 6, 4, § 11. The second, third, and fourth acts of this year form together a great code of industrial regulation for the whole country.

[2] 13 Richard II. Stat. 1, c. 12. Since shoemakers sold leather falsely tanned, no shoemaker was to be a tanner, or tanner a shoemaker. *Statutes*, II. 65, and generally in 37 Ed. III. c. 6. *Statutes*, I. p. 379.

perly trained for his industry during an apprenticeship, and this regulation was rendered universally operative by the Statute of Elizabeth[1]. In regard to the Ordinance of the Staple we saw that it was the establishment of a system generally, which had been already tried though with doubtful success, and we now find the legislature everywhere enforcing the regulations which had been proved successful by the experience of the craft-gilds in particular towns, and specially in London[2].

Revolution in the holding

§ 49. The improved conditions for commerce which were enforced by the legislation of the Edwards brought about a considerable development of trade, and therefore a great change in the industrial life in towns; and during the fourteenth and fifteenth centuries similar causes were working a revolution in the industry of manors as well. It has been already pointed out that a new method of letting holdings of arable land had begun to come into use after the Black Death, though we do not hear much of a general alteration in the condition of the peasant farmers till Tudor times. But during the same centuries in which this was taking place we also find traces of a change in the use made of land; in all probability both alterations were effects of the same cause. The sudden decrease of population and rise of labourers' wages had been the reason for the introduction of tenant farming, and these events also induced manorial lords or their tenants to prefer sheepfarming to any system of tillage that involved the employment of many labourers. From the very beginning of the fifteenth century we find evidence of a great increase of sheepfarming.

and use of land.

Sheep-farming.

In tracing the earlier history of manors we saw that the lords had cut new portions out of the waste land, and we

[1] 5 Eliz. c. 4, sec. 24, 26.

[2] 5 Eliz. c. 4, sec. 19.

are inclined to regard the whole agricultural progress for some centuries as tending in the direction of bringing larger portions of waste under tillage. In Fleta[1] we find a very curious statement of the nature of common pasture and other common rights, and of the legal steps which must be taken to break up this community by lords who were hampered by their free tenants and retainers so that they were not able to serve their own convenience with the rest of their manors, such as the waste, wood and great pastures. Clauses in the statute of Merton[2] and in Edward I.'s second statute[3] of Westminster are similar in character; and though it is not obvious in what way the land thus secured to the manorial lord's own uses was generally employed, there was certainly a sufficient population for him to let it in new holdings or to have it tilled on his own behalf if he preferred to take this course. After the Black Death this was no longer the case, and we shall be scarcely wrong in fixing on that as the epoch which marks a reversal of the old policy: instead of waste being converted into arable land, we find the beginning of a tendency to turn ploughed fields back into permanent pasture, or at any rate to use the same land alternately for pasture and for crops[4].

Enclosure of waste for tillage.

A.D. 1348.

Decrease of tillage.

Wool very profitable.

The facilities which Edward I. gave to foreign merchants would undoubtedly improve the market for wool, and the care which Edward III. and succeeding kings[5] bestowed on the trade in this staple product was—bane-

[1] Fleta, lib. IV. c. 20.

[2] c. 4. *Statutes*, I. p. 2.

[3] cc. 22, and 46, *Statutes*, I. pp. 83, 94.

[4] On the precise character of this convertible husbandry see below.

[5] For an account of the regulations on this subject compare the excellent *Memoirs of Wool*, compiled by J. Smith.

ful as it might at first sight appear to modern economists —in all probability a favourable influence. Under these circumstances the growing of wool became more and more profitable, and we cannot be surprised at finding unimpeachable evidence of extraordinary prosperity in rural districts during the fifteenth century.

The direct evidence on this point is very interesting. Sir John Fortescue, the Lord Chancellor of Henry VI., while descanting on the existence of trial by jury in England and not in other lands, accounts for the difference thus in his dialogue on the *Laws of England* between the Prince and the Chancellor: "England is a country so fertile, that comparing it acre for acre, it gives place to no one other country: it almost produces things spontaneously without man's labour or toil. The fields, the plains, groves, woodlands, all sorts of lands, spring and prosper there so quick, they are so luxuriant that even uncultivated spots of land often bring in more profit to the occupant than those which are manured and tilled: though those too are very fruitful in plentiful crops of corn. The feeding lands are likewise enclosed with hedgerows and ditches, planted with trees, which fence the herds and flocks from bleak winds and sultry heats, and are for the most part so well watered that they do not want the attendance of the hind either day or night. There are neither wolves, bears, nor lions in England: the sheep lie out a nights without their shepherds, penned up in folds, and the lands are improving at the same time: whence it comes to pass that the inhabitants are seldom fatigued with hard labour, they lead a life more spiritual and refined: so did the patriarchs of old who chose rather to keep flocks and herds, than to disturb their peace of mind with the more laborious employments of tillage and the like...England is so thick-

Fortescue on sheep-farming

spread and filled with rich and landed men that there is scarce a small village in which you may not find a knight, an esquire or some substantial householder, commonly called a Frankleyne, all men of considerable estates: there are others who are called Freeholders, and many Yeomen of estates sufficient to make substantial jury, within the description before observed. There are several of those Yeomen in England who are able to dispend by the year, a hundred pounds and more... Other countries, my Prince, are not in such a happy situation, are not so well stored with inhabitants. Though there be in other parts of the world persons of rank and distinction, men of great estates and possessions, yet they are not so frequent and so near situated one to another as in England: there is nowhere else so great a number of land owners: in a whole town in any other country you can scarce find a man of sufficiency enough to be put upon a jury: for except in large cities and so-called towns, there are very few besides the nobility, who are possessors of estates or immovable goods to any considerable value. The nobility do not keep in their hands any scope of feeding lands: it does not comport with their rank and quality to cultivate vineyards or put their hands to the plough, and yet the main of their possessions consists in vineyards and arable lands except some fine meadow grounds, which lie along the great rivers, and the woodlands, the pasture of which is in common to their tenants and neighbours[1]."

as source of land-owners' wealth.

We know enough of the state of society from other sources to confirm the accuracy of the main outlines of the picture here drawn. One indirect proof of the wealth of landed proprietors in the fifteenth century is to

Incidental confirmations:

[1] *Sir John Fortescue and his descendants*, by Ld. Clermont, 1. p. 413.

be found in their lavish expenditure in maintaining crowds of retainers.) This was certainly no new practice, for it was a grievance to the peasant farmer in the time of Edward I.[1]; but it comes more prominently before us at this time, for it attracted the attention of the legislature[2], and found a reflection in the ambitious displays of the gilds, when the members, clad in livery, went together in procession. The retainers had in some cases been gathered with a view of obtaining their service in war; and occasionally, as at the time of the villains' revolt, or under fear of invasion, permission was given to have them under arms. However this may have been, they certainly were a disturbing element in times of peace[3]. The retainers of rival houses were not unlikely to quarrel as to the precedence and dignity of their respective masters, and in some cases they were little better than freebooters, disregarding the king's peace. *retainers:*

We have indirect evidence from two different sides that the wealth of the landed proprietors, which was squandered in this extravagance, was derived from the growing of wool, rather than from tillage. In the reign of Henry VI. it was apparently a common jest with foreigners to associate the decline of naval power and the progress of sheepfarming; and this must therefore have assumed such proportions as to attract general *common repute:*

[1] See the Song against the Retinues of Great People in Wright's *Political Songs* (Camden Society), p. 237.

[2] The preamble of 13 R. II. Stat. iii. complains of the maintaining and embracing of quarrels, in which many were encouraged because they were of the retinue of lords and had their robes and liveries. *Statutes*, II. p. 75, and statutes of every reign till Henry VII. practically suppressed the system.

[3] Licence was required by the Bishop of Durham before he could venture to quarter his retainers at Stratford-atte-Bowe, while attending Parliament or the Council. Rymer, *Foedera*, IV. 143.

attention[1]. On the other hand, numerous statutes testify to the decrease of the population in agricultural districts. One statute after another was passed to prevent the peasantry from flocking to the towns[2], or sending their children to be apprenticed there[3]: while the exportation of corn was permitted[4],—first with a licence, and then without licence when the price was low[5],—and importation was forbidden till it reached 6*s.* 8*d.* the quarter[6], in the hope of rendering arable land more profitable.

decay of tillage.

[1] Cachinnant de nobis inimici, et dicunt, "Tollite navem de pretiosa moneta vestra, et imprimite ovem, vecordiam vestram in hoc arguentes." Capgrave *de illustribus Henricis*, p. 135.

Another author wrote some few years before,

Wher ben our shippes, wher ben our swerdes become?
Our enmyes bid for the ship set a sheep.

From the *Libell of English policie* vv. 36, 37, printed in the *Political Songs* in the Master of the Rolls Series, vol. I. This most interesting tract should be compared with Sir John Fortescue's *Comodytes of England*, written before 1451 but only recently printed. After mentioning the (1) rivers and (2) harbours, which gave all parts of the land the advantage of trade (Ely is mentioned among them), he enumerates "The third comodyte of this land ys that the grounde thereof is soo good and commodyous to the shepe, that beure soo goode woll, and ys soo plentyous thereof that all the merchands of two londs may not by that one merchandyz. The fourth comodyte that the comones have with in hem ys wollyn clothe redy made at all timys to serve the merchaunts of any two kingdomys Chrystenye or hethynnye." *Sir John Fortescue*, I. p. 551.

[2] 1 Rich. II. c. 6. 9 R. II. c. 2. Also 4 Henry VII. c. 19 and other statutes quoted in 5 El. c. 2.

[3] 12 R. II. c. 5.

[4] 17 R. II. c. 7.

[5] "Forasmuch as it was ordained that no man might carry nor bring Corn out of the realm of England without the king's Licence, for cause whereof, farmers and other men which use manurement of their land may not sell their Corn but of a bare price, to the great damage of the Realm." 15 Henry VI. c. 2.

[6] "Whereas the Labourers and Occupiers of Husbandry within

That the decline of tillage was not really due to the labourers' desire to change their condition, but that this desire was in many cases an effect of the introduction of sheepfarming and the consequent diminution of employment, there can be little doubt. But we have evidence that an agricultural revolution was slowly and constantly taking place; that the area of land under tillage was decreasing, and the production of wool increasing as rapidly.

Social changes.

While this new system of using the land was slowly extending over a wider area of the country, very great social changes followed in its wake. The manorial group, as an industrial factor, was gradually[1] broken up and destroyed. There was no longer arable land on the lord's domain for the villains to till; and the exaction of their services fell into disuse: nor did the lord feel a responsibility for maintaining those from whom no such duties were exacted. The difficulty of obtaining labour became greater and greater, for villains continued to escape to towns, or eluded the rendering of service on various pretexts: while the frequent confirmations of the Statute of Labourers shew that the wages difficulty had not been successfully adjusted. Along with this social disorganisation there rose a fear that the defence of the realm might be a matter of difficulty, when the number of able-bodied men on each manor was so much smaller than before.

Disorganisation of Society,

§ 50. While then we may think of the end of the

this Realm be daily grievously endamaged by bringing of Corn out of other lands and parts into this Realm when Corn of the growing of this Realm is at a low price, &c." 3 Ed. IV. c. 2.

[1] Fortescue writes as if the new system was practically universal: Fitzherbert's *Surveyinge* shews us that the manorial system and villainage were by no means extinct in 1539. See below Appendix I. and p. 221.

fourteenth and greater part of the fifteenth century as a time of great prosperity and rapidly increasing wealth both in town and country, we must also feel that it was a time not perhaps so much of disorder as of disorganization; the old organization of the manors was passing away, and so too was the effectiveness of the organization of the craft-gilds. It was noticed above that trade was the solvent which destroyed the collective economy of the village communities, and in much the same way the increasing trade was breaking down the industrial organisation of mediaeval England both in town and country. The excellence of the craft-gild organization lay in the direct contact of its authorities with the workers and with the consumers: but when Englishmen manufactured on a large scale and for distant markets, the system did not answer the same purpose, and eventually ceased to answer any useful purpose at all. Trade had become too extensive to be manageable on the old plan, and the attempt to manage it at all fell into disrepute. So too the manors throughout the country devoted themselves to the production of the most paying article: the specialisation of industry between town and country went on with extraordinary rapidity. The lord of the manor ceased to have serfs whom he could employ in simple manufactures on his own estate: rural manufactures decayed[1] as wealth increased: the rural population flocked to the towns, and there the gild organization was not long in a condition to supervise them efficiently. For it must be remembered that the disorganization of the industrial system of the middle ages meant the destruction of the social police in town and country: as the new regime came in, the responsibility of the lords

through the influence of trade

and the specialisation of industry.

[1] Though they did not die out till very much later than the fifteenth century. See below, p. 398.

of the manor and of the wardens of the gild was less effective as a social influence for good; social disorder followed in the wake of industrial disorganization. The rural districts were disturbed by vagrants: labourers in town and country alike were breaking their contracts[1]; their combinations, whether their demands were just or not, were a disturbing element that had not affected society at large in the best days of the craft-gilds.

Decline of Church influence;

Nor could reliance be placed on the power of the Church to rectify the disorder of the times: in trying to suppress the Wyklifites and the socialism which some of them preached, she had seemed to ally herself with the rich against the poor, and had greatly lost her popular influence. The complaints of the Commons shew how much this had happened in respect to the very matters in which we have traced the effects of Church teaching: more than once the Commons complained of the doings of usurers, and each time King Richard expressed in reply his regret that the courts Christian had so declined in influence that they could no longer suppress it[2]: at length the task was undertaken with no great success by the state[3].

usury;

the poor.

Another economical duty which had been chiefly in the hands of the clergy was the relief of the poor: the earlier Statutes of Labourers had made provision for the punishing of the vagrant poor[4], but it afterwards appeared that there was a tendency to neglect the claims of the

[1] 23 Ed. III. c. 2.

[2] *Rot. Parl.* III. 142.

[3] 3 Henry VII. c. 5, 11 Henry VII. c. 8.

[4] We do not hear so much of vagrancy during the fifteenth century: it seems not impossible that large numbers found employment in the retinues, though the enclosures left an increasing number idle.

impotent poor. It marked the greatest breach between the clergy and the masses of the nation when the English Church was found to be heedless as to the deserving poor, and relief had to be arranged for if not provided by the state[1].

The power of the Crown.

While the various institutions of the middle ages were thus falling into decay, when the statutes passed in parliament had proved insufficient to cure the evils of the day, there was only one quarter to which men could look for the establishment of a really strong government that could repress the general disorder of which all good citizens were weary. It was to the Crown that the peasants had turned for help against their oppressors: it was from the Crown that the Church sought for aid in ruthlessly suppressing the "nihilists" of the day: it was to the Crown that the propertied classes looked for the maintenance of their privileges. The wars of the Roses had so far weakened the rival power of the nobility that an opportunity was given to the Tudor kings to occupy a position of secure command, in which they were able to make an unfettered use of their abilities and guide the English people through a time not only of social reconstruction but of constant danger from foreign foes.

[1] The state insisted that their claims should not be forgotten when benefices were appropriated. 15 R. II. c. 6.

III.

Commerce and Policy.

51. The Risks of Trading. 52. The Sovereignty of the Sea.
53. Foreign Competition.

§ 51. While urban and rural industry were developing thus rapidly, a decided improvement is noticeable in the conditions under which foreign trade was carried on. Indeed in the beginning of the fourteenth century the merchant was exposed to such terrible risks that it seems surprising that any one was found to run them, even on the chance of very large gain if his venture proved successful. Something of all this has been hinted at in connexion with the Ordinance of the Staple and the policy of the Scotch Burghs, but a matter of so much importance demands closer attention. *Risks of trading*

That commerce would suffer greatly during a time of war was only to be expected, but matters were little better during peace, owing to the continued practice of piracy: in many cases the line between trading on one's own account and preying on the trade of others was in all probability not clearly drawn[1]. When English merchants settled in France had their wines taken by Flemish pirates, there seemed to be no unfairness in asking for letters of reprisal against Flemish merchants in A.D. 1320. *even in time of peace.*

[1] Compare the demand noted above that Scotch merchants should have licences before they were admitted to deal in France (p. 176, note), and the well-known practice of Elizabethan adventurers.

England[1]; and when a Norwich citizen lost his goods
A.D. 1306. through the depredations of Norwegian pirates, he got limited permission for reprisal against Norwegian merchants in Lynn and Yarmouth[2]. The injurious effect on
Reprisals. the honest trader of this granting of letters of reprisal can hardly be exaggerated, as the prospect of recovering the loss from a fellow-subject must have been small: but it must have been an even more hopeless matter to find your goods taken on account of a debt incurred by the king to some foreigner: yet this was the fate of an unhappy merchant of York, who lost £109 worth of wool, which was taken by a Flemish noble on account
A.D. 1376. of a debt due from Edward III.[3] That the fear of reprisal acted as a deterrent to keep men from trading need scarcely be pointed out. The merchants of the
A.D. 1327. Abbot of Fécamp were threatened with being held liable for some losses incurred at the hands of their masters, and not unnaturally absented themselves from England[4];

[1] *Rot. Parl.* I. 379. [2] *Rot. Parl.* I. 200.

[3] *Rot. Parl.* II. 353.

[4] To the petition of John de Barton, and his fellowes English Merchants, shewing, That whereas they were within the jurisdiction of the Abbot of Fiscamp with a certain ship, laden with diverse Merchandize, the said Abbot and his Men entered the said Ship, and the goods and chattels &c. to the losse of cc li. which summe is found in the Chancery for which hee should make restitution; who obeyed not; of whom our Lord the King is certified in his Chancery: whereof hee comanded sundry Sheriffes by his writs to levie to the value of the foresaid goods of the Merchants of the foresaid Abbot coming into England, which Merchants have absented themselves from England. Wherefore they pray that it would please the King to grant a Writt of the said Exchequer to bee made against the said Abbot of his goods and chattels, lands and tenements, which he hath in England.

It is answered, Let the Petition be delivered in Chancery, and let the petitioners come thither, &c. And if the Abbot be found

and at different times within the fourteenth and fifteenth centuries this sort of licensed private warfare was threatened or carried on between some English merchants and people of Norway, Prussia, Flanders, Scotland, Spain and Genoa[1]. If it was the only way of putting pressure on foreigners to look after the piratical and dishonest tendencies of some of their subjects, it was a method that must have been ruinously costly to traders.

Piracy.

The existence of nests of pirates who made no pretence of trading, and plundered the vessels of various nations with strict impartiality, was another source of danger: the coast of Norway and of Frisia still afforded shelter to considerable bands of sea-robbers[2]: the narrow seas and the channel were ravaged by the men of Brittany[3], and at one time the Isle of Wight was practically in the possession of a certain John of Newport, A.D. 1450. who added piracy to his other crimes: "for he and hus hath do so meny gret offencis in the See aboute the Ilond, in morthering the kingis people and hus frendis, castyng them owte of har vessellis into the See as thei have be comyng to the port of Hampton, bi the which the kinggis Costumes of his port of Suthampton hath be lost, bi his riot kept uppon the See, of v or vi M.

a trespasser or maynteyner or that the goods came to his proffit then let execution bee done. *Rot. Parl.* II. 439.

[1] It must not of course be supposed that English traders were less guilty in this matter than other people. See below, p. 240, on the damage done to the Hanse League.

[2] The Frisian pirates were finally exterminated by the Hanse League.

[3] And of this Britaýn, who so trouth beleves,
Ar the gretest rovers and gretest theves
That hev ben on the Sea many oon yere.
Libell of Eng. Policye, v. 158.

mark in a yer[1]." We also hear of "Rovers of the
A.D. 1429. Sea[2]," who were the outlaws of various nations, and were not apparently under even the nominal jurisdiction of any potentate.

The coast undefended by

It would have been bad enough if these rovers had only plundered vessels on the high seas, but they were so numerous and daring as to keep the inhabitants of the coasts, and even of considerable towns, in constant alarm. Frequent complaints were heard from Corn-
A.D. 1378. wall[3], from Kent[4], from the Isle of Wight[5], from Scarborough[6], from Rye[7], which give us a terribl picture of the unprotectedness of the English coasts, during a threatened war with France; nor do things seem to have been much better even in time of peace. The risk of loss from piracy had been one of the reasons

English shipping.

assigned for holding the staple in England rather than abroad; that arrangement and the whole policy of Edward III. had resulted in a decline of English shipping. This was partly due to his having requisi-
A.D. 1372. tioned merchant ships for his naval expeditions[8]; and

[1] *Rot. Parl.* v. 205.
[2] *Rot. Parl.* iv. 350, 376.
[3] *Rot. Parl.* iii. 42.
[4] *Ibid.* 46.
[5] *Ibid.* 47.
[6] *Ibid.* 63.
[7] *Ibid.* 70.

[8] Item prie la Commune, qe come les Marchantz et Mariners d'Engleterre qe xx aunz passez et toutdiz a devant la Navie de dit Roialme estoit en touz Portz et bones Villes sur Mier et sur Ryvers si noble et si pleintinouse, qe touz les pays tenoient et appelloient notre avan dit Seignour le Roi de la Mier, et lui et tout son pays dotoient le pluis par mier et par terre par cause de la dite Navie: Et ove il est ensi desencrescez et anientyz par diverses causes qe a poy yl i a demure suffisientis a defendre la dite pays, si grant mestier estoit, encontre Roial Poiar y fuisse a grant perille comunement de tout la Roialme, lesqueux causes, serroit trop long des touz escrirre. Mes une cause est principale, la longe Arrest

partly to ships having escheated to the Crown in consequence of deaths[1]; and partly owing to the favour shewn to foreigners, and the discouragement of English shipping. This decline was a matter of frequent complaint, and the exposed state of the coast was one result of this policy.

Richard II. was not able to devise any satisfactory remedy. Money was raised from the traders throughout the country, and used under the direction of the Lord Mayor of London and the merchants of different coun- A.D. 1379. ties[2]: the duties of the admirals were better defined[3], but all seemed of little avail. The people of Scarborough fitted out two ships for their own defence but were too poor to maintain them unaided[4]. Other towns and merchants[5] were allowed to rely on their own resources, and Henry IV. encouraged the merchants to organize the defence of the realm for themselves[6]. The failure of this plan probably forced the king to undertake the reorganization of the Admiralty, *The Admiralty.* so that the management of the fleet in time of war, and the cognisance of offences against the Law of the Sea, might be seen to more thoroughly[7]. But it was not till

qe sovent ad este fait sur les Niefs en temps de Guerre: c'est assavoir, par un quarter d'an ou pluis avant q'ils passent hors de lour Portz sanz rien prendre pur les gages de lour Mariners durant cell temps, ou les Seignours des Niefs rien prendre de guerdon pur les Apparailements de lour Niefs et Custages. Dount ils priont, en eovre de charite, convenable remedie. *Roll Parl.* II. 311.

[1] *Rot. Parl.* III. 94.
[2] *Rot. Parl.* III. 63.
[3] *Rot. Parl.* III. 138.
[4] *Rot. Parl.* III. 162.
[5] Rymer, *Foedera.* Original Edition, VII. 542, VIII. 325.
[6] *Rot. Parl.* III. 570.
[7] The oldest existing manuscript of the documents contained in the *Black Book of the Admiralty* dates from about this time: the contents of the book, among which are the Laws of Oleron, and

the reign of Henry V. that the coasts were kept free from attack, while merchant ships had safer convoy, because he was the first king who had a sufficient navy[1] afloat to make his power effective, and give a real meaning to the old claim of English kings to the sovereignty of the sea.

Power and Commerce.

§ 52. We have already seen something of the close

regulations for his fleet made by Edward III., are of course much older. Twiss, *Black Book of the Admiralty*, I. p. xxxv.

[1] Henry IV. had some small barges (Rymer, *Foedera*, IV. 28), but there was no regular navy. He had to arrest ships for conveying the justiciary to Ireland, at Liverpool, Chester, Beaumaris and Conway (*Foedera*, IV. 69), as well as for the transport of troops from Southampton. IV. 73, 82, 84.

Henry V. on the other hand had in 1417 a fleet consisting of six large vessels, seven barges and ten balingers. (Nicolas, *Privy Council*, II. 202.) Under Henry VI. the king was again unable to assist the merchants, more than by allowing them to organize the defence of the realm themselves. *Rot. Parl.* V. 59.

A good deal of interesting information on the state of the arts in England is to be found in the accounts of Henry V.'s preparations for his French campaigns.

We have a great gathering of craftsmen to wait for the king: tents (Rymer, *Foedera*, IX. 200), bows (224), carts (248), horse shoes and nails (250), arrows (436), guns (542), are all to be provided. Ships were to be hired in Holland and Zealand (215), and impressed from English ports: seamen were to be got to man them: carpenters and masons, presumably for making engines of attack (261), and surgeons (252 and 363), were to accompany the expedition: while bacon (437) and all sorts of other victuals were to be provided (224). For ready money he seems to have had recourse to pawning the crown jewels (284), and to trying to raise loans, though without much success (499 and 814). The regulations made for the good government of Normandy, providing for uniform weights and measures, and coinage (798), the repression of unfair dealing by soldiers and merchants (728, 795), and confirmation of former possessions and privileges, shew a real effort to govern the conquered country well.

relation between political power and commerce: when considering the influence of the Norman kings, we noticed that the new political connexions into which England was then drawn favoured the development of her trade. At the end of the fourteenth century the relation between the two was becoming clear to the men of the time. Edward III. legislated for trade as a thing that interested his subjects, and brought him in a portion of his revenue; but in the legislation of succeeding reigns, we find trade and industry regarded, and regulations for them proposed, not so much for their own sake as with the view of thereby developing the naval and military power of the country.

Treasure.

It certainly appeared that an ill-regulated trade might injure the power of the country—and the chief fear was that coin should be drawn away, or the royal treasure brought low: the coinage was now somewhat diminished in value, and it does not appear to have been merely in the interest of the currency that the severe legislation of Richard II., against exporting gold or silver without a licence, was passed[1]. Attempts were also made to A.D. 1381. compel merchants to expend the half[2], and later the whole[3] of the money they made by the sale of foreign goods in this country, in the purchase of commodities, so that the bullion might not be taken away. An attempt was also made to have the papal taxes remitted A.D. 1390. in bills of exchange, which could then be settled by the

[1] 5 Richard II. c. 2. Licences were granted for many different reasons. The papal legate was allowed to have £4000 exported in 1377 (Rymer, *Foedera*, IV. 16), and the Chancellor of Portugal to take out gold in 1382 (Rymer, IV. 149). Thomas of Norfolk when leaving the country did the same (Rymer, *Foedera*, original, VIII. 47).

[2] 14 Richard II. c. 1.

[3] 4 Henry IV. c. 15.

export of goods, without the actual transference of bullion[1].

Military Force.

One curious regulation shews an anxiety to use trade as a help to keeping up the effective force of the country; for it was ordained that with every ton of goods four bowstaves should be imported[2]. The alleged decay of husbandry seemed to indicate a decrease of fighting power, but it was also said that those who did live by tillage were no longer so well prepared to take
A.D. 1388. the field. It was accordingly "ordained[3] that servants and labourers shall have bows and arrows, and use the same, the Sundays and holydays, and leave all playing at tennis or football and other games called coits, dice, casting of the stone, kails, and other such unthrifty
A.D. 1409. games," on pain of six days imprisonment[4]. Despite changes in the art of warfare, the Tudor kings were anxious to obtain large supplies of bows from abroad.

English shipping encouraged.

But the legislature under Richard II. recognised not only the importance of commerce, but the great importance of the shipping trade, as supplying a means of defence to an island realm; and the policy which had been so destructive to English shipping under Edward III. was reversed. English merchants were compelled to ship
A.D. 1381. their goods in English ships[5], though they afterwards got permission to use foreign ships if no others were available[6]. The subsequent removal of the staple for wool to England from Calais could not have been favourable to English shipping, even though one clause of the statute by which this was done reiterated the demand that English merchants should freight English ships[7]. Apparently the

[1] 14 Richard II. c. 2.
[2] 12 Edward IV. c. 2.
[3] 12 Richard II. c. 6.
[4] 11 Henry IV. c. 4.
[5] 5 Richard II., st. i. c. 3.
[6] 6 Richard II. st. i. c. 8.
[7] 14 Richard II. c. 6.

limitation which these statutes imposed gave the fortunate possessors of English ships opportunities for charging very high rates, while sailors like other wage-earners had been able to ask higher wages since the Black Death[1].

The navy. The formation of a royal navy by Henry V. rendered the importance of extensive merchant shipping less vital to the defence of the realm. With his death, and the disorder which ensued at home and abroad during the contest of the Roses, less public attention was given to this matter, and it is not till the reign of Henry VII. A.D. 1485. that we find the policy of developing English shipping pursued with vigour. The Gascony trade was limited to English ships manned by English sailors, and the policy of Richard II. in regard to giving a preference to English ships was again enforced[2]. The importance of the shipping trade as a means of national defence has been explicitly recognised from that time onwards[3]. As Bacon wrote, King Henry VII. "having care to make his realm potent as well by sea as by land, for the better maintenance of the navy ordained, That wines and woads from the parts of Gascoign and Languedoc, should not be brought but in English bottoms; bowing the ancient policy of this estate from consideration of plenty to consideration of power. For that almost all the ancient statutes invite by all means merchant strangers to bring in all sorts of commodities, having for end cheapness and not looking to the point of state concerning the naval power[4]."

The Sovereignty of the sea. While the rulers were gradually coming to the opinion that the power of the country could be increased by developing its trade, there were others who shewed that

[1] *Rot. Parl.* III. 283.

[2] 1 Henry VII. c. 8, 4 Henry VII. c. 10.

[3] With the exception of the first years of Henry VIII.

[4] Bacon's *Henry VII.* Works, VI. 95.

the most effectual aid would be given to the commerce of the country, if the English king would vigorously assert his long-recognised right to the sovereignty of the sea[1]. This was said to have been claimed by King John in an ordinance at Hastings, declaring that it was the custom of the sea for the ships of other nations to "veil their Bonnets at the commandment" of the English Admiral[2]. The title *Dominus Maris Anglicani circumquaque* had been explicitly claimed by Edward III. early in his reign,
A.D. 1339. and when by the taking of Calais he had established English power on both sides of the channel, he coined a golden noble, an engraving of which may be seen on the title-page, and which had on the reverse, a ship and a sword, to serve as emblems of sovereignty at sea.

[1] The earliest document which asserts this right is a memorandum of 12 Edward III. The claim to the sovereignty of the sea involved many rights—those of fishing and diving for pearls, or of property in the products of the sea; rights of taking tolls for the use of the sea; right of free passage for ships of war; and the right of jurisdiction for crimes committed at sea. C. Armstrong, *Sermons and declarations against Popery* (1530), stands almost alone in protesting against the assertion of this sovereignty; as he held that the increased trade, for which it gave facilities, was not really beneficial like that in old days: then aliens had brought bullion to buy within the country instead of importing artificial wares to exchange, and so competing with our craftsmen: but his objection shews that this stroke of policy benefited English merchants. In the fourteenth and fifteenth centuries the claim had important practical bearings in regard to the duty of repressing piracy. Twiss, *Black Book*, I. lvii.

In the seventeenth century, when the success of the Dutch in prosecuting fishing off our coasts was exciting great jealousy, and when their commerce was rapidly developing, the nature of English rights became the subject of very vehement discussion; Grotius attacked the claim as absurd (*de Mari Libero*), and Selden replied with much learning (*Mare Clausum*). The historical justification, such as it was, of the claim, is stated by Sir John Borroughs.

[2] Borroughs, *Sovereignty of British Seas* (1651), p. 11.

For four thinges our noble sheweth to me
King, ship, and sword, and power of the see[1].

The *Libell of Englishe Policye* is a most interesting poem of eleven hundred lines, which may be taken as an adjuration 'to live up to our' noble. The early years of Henry VI.'s reign had been marked by a new outbreak of the piracy[2] which the firm rule of his father had kept in check. The author felt that it would be a great gain if a real peace—like the king's peace on the land—could be maintained by sea, and English kings were in the best possible position for doing this. At the time when the poem was composed the great continental war was still raging, and Flanders had gone over to the enemy; and peace between the nations might be more easily attained by the policy of keeping the sea, destroying the trade of the Flemish towns, and thus reducing them to a state of poverty in which they would gladly accept our terms, than by any other means. A great part of the work is devoted to shewing how easily this might be managed; and the rest of the pamphlet sketches the means by which our industry and commerce could be most increased, when peace was thus established. He demands 'reciprocity' in regard to trade privileges: if foreigners have special advantages here, England should have the same advantages abroad, whereas their position in foreign cities offers many striking contrasts[3]: the resources of Ireland should be developed, as also those of Wales, as this was the surest way to render the union secure: and the half usurious profits of the foreign traders, which arose from their

Libell of Englishe Policye. A.D. 1436.

[1] *Libell of Englishe Policye*, vv. 35, 36. On the circumstances of the time see Pauli's introduction to Hertzberg's German Edition.

[2] The Rovers of the Sea. *Rot. Parl.* IV. 350, 376.

[3] *Libell of Englishe Policye*, vv. 496—541.

arrangements as to times and terms of payment, ought to be looked to. All this might be accomplished by maintaining Calais in good order, and keeping the seas round England, but specially the narrow seas, under the rule of the king. There is no real unfairness to foreign merchants in this proposal: the kings of England had generally pursued a policy of giving them special privileges by land, and they were not likely to oppress them by sea. The keeping of the sea could be fairly put forward as the most sure means of bringing about the end of the war, and of rendering the shipping of all countries secure, from the pirates of S. Malo, and from the risk of other quarrels. (The English king was the only potentate who could possibly accomplish all this, both from his power, and from the position of his country.) If he took it in hand there might be universal peace for all, and fair trading for Englishmen.

Germs of mercantile system.

In the course of the argument a most interesting account is given of the products and trade of all sorts of foreign lands: but (the chief value of the tract lies in the fact that it shews us, even more clearly than the Rolls of Parliament or the Statute-book, the germs of that policy which was afterwards developed into the mercantile system.) We shall see below that this system of trade policy was intimately connected with a desire to maintain the power of the country: but there is also a hint in this poem of a special importance, not only for purposes of policy, but for industry, in amassing silver rather than other commodities. (The Venetian trade was a subject of complaint, because the merchants brought articles of luxury such as spices, drugs, that are rapidly consumed, whereas we could provide for all our ordinary wants by articles of home production: we have here a new form which the feeling that prompted sumptuary laws was

beginning to take[1]. The use of English commodities, and especially the use of 'thrifty' commodities, seemed to be a matter of high importance; and of all commodities, none was so thrifty[2], because so well adapted to hoarding, and so unlikely to be worn out, as gold[3]. Along with this strong national feeling, there are signs of much jealousy of foreign traders: the last year of Edward III. marks the time when the demands of the English dealers were successful in obtaining a reduction of the privileges granted to merchant aliens in England; and during the fifteenth century there was a continually growing demand for a more complete reciprocity of trading privileges.

[1] The grete galees of Venice and Florence
Be wel laden with thinges of complacence
Al spicerye and of groceres ware,
With swete wines al manere of chaffare
Apes and japes and marmusettes tailed,
Nifles, trifles, that litel have availed,
And thinges with which they fetely blere our eye
With thinges not enduring that we bye.

* * * *

Thus these galeys for this liking ware
And eting waar bear hens our best chaffare,
Cloth, wolle and tin which as I said beforne
Out of this land went mighte ben forborne
For eech other land of necessitee,
Have grete need to by some of the three,
And we receive of hem into this coste
Ware and chaffare that lightly wol be loste.

v. 344 fol.

[2] Also they bear the golde out of this land
And souketh the thrifte away out of our hand,
As the waffre souketh hony fro the bee
So minisheth our commoditee.

v. 396 fol.

[3] On this policy see below, p. 297.

The Hanse League: its trade

§ 53. This jealousy of foreigners was chiefly aroused in consequence of the privileges and great success of the Hanse League[1]. This body, composed of members of the gilds merchant, of a large number of German towns, had a monopoly of the trade of Scandinavia and the Baltic, with the rest of Europe: they had also a practical monopoly of the trade between Russia and the west of Europe, while there were important routes from Russia to Persia and the East. The League, through its different factories and connexions, was able to carry on a very extensive trade between the north and south, and also between the east and west of Europe.

and industry

But the factories of the league were not mere commercial warehouses, they were centres of industry as well. The fullest development of this system occurred at Bergen, which had passed entirely into the hands of the League: German craftsmen and merchants had quite taken possession of the place, by making the most of the very extensive privileges granted to them, and by using their naval power to keep a strict monopoly in their own hands.

a cause of jealousy.

That the native population were extremely jealous of a foreign community which throve by its special privileges and exemptions may be easily understood: but when it is remembered that they were often celibate communities, never really settling in the land, but living a not very strict life, and enriching their own land by the profit of the trade[2], the irritation with which they were

[1] For the history of this body see Worms, *La Ligue hanseatique*, and for its fortunes in England, compare Lappenberg, *Urk. Gesch. d. hansis. Stahlhöfs.*

[2] "IV. Moreover a great number of artificers and other strangers not born under the king's obeysance, do daily resort and repair to the city of London, and to other cities, boroughs and towns of the said realm, and much more than they were wont to do in times

regarded becomes more intelligible. If we think of the hatred felt towards the Japanese in San Francisco at the present time, we can understand the feeling better; especially when we remember that there was this great additional grievance, that though the success of the foreigners was greatly due to special privileges accorded to them, such as partial exemption from taxation, English

past, (2) and inhabit by themselves in the said realm with their wives, children and houshold, and will not take upon them any laborious occupation, as going to plough and cart, and other like business, but use the making of cloth and other handicrafts and easy occupations, (3) and bring and convey from the parts beyond the sea, great substance of wares and merchandises to fairs and markets, and all other places of this realm at their pleasure, and there sell the same, as well by retail as otherwise, as freely as any of the king's subjects use to do, to the great damage and impoverishment of the king's said subjects, (4) and will in no wise suffer nor take any of the king's said subjects to work with them, but they take only into their service people born in their own countries, whereby the king's said subjects for lack of occupation fall into idleness, and be thieves, beggars, vagabonds, and people of vicious living to the great purturbance both of the king and of all his realm; and when the merchants, artificers and strangers before rehearsed have gained within this realm, by buying or by such easy occupations and handicrafts, great substance of goods, with the same substance they go out of this said realm to such parts beyond the sea as liketh them best, and there spend the same goods, oftentimes among the king's adversaries and enemies, to the great damage of our sovereign lord the king and his subjects, and impoverishment of this realm and the commons of the same, and so by occasion of the premisses, the substance of the inhabitants in the said cities, boroughs and towns now late hath fallen, and daily doth fall into great poverty and decay, to their great undoing, unless the king's gracious aid be to them in this behalf shewed."

In answer to this petition aliens were restrained from exercising handicrafts, and were compelled to sell their goods in gross, and within eight months from landing, and restrained in other ways. 1 Richard III. c. 9.

traders enjoyed no corresponding advantages in their cities[1].

Attempts at settlement.

The Rolls of Parliament bring out these various points very clearly: the ever-recurring petition of the commons to restrict the privileges of alien merchants at length procured from Richard II. an assent to the proposal to prohibit aliens from selling to other aliens, or from selling by retail[2]. In the same reign we find attempts to enforce reciprocity: redress for grievances was given to the men of the Hanse on the understanding that similar redress should be given to English merchants[3] in Prussia. The same claim had been made at the beginning of the reign, as the charter of the London Hanse was confirmed on the understanding that the members of the League would agree to the 'aiding, counciling and comforting' of Englishmen abroad[4]. But the bitterness was not allayed, and a struggle continued in which each country lost seriously by reprisals. A treaty was made in the time of Edward IV., by which it was hoped the quarrel might be set at rest. The English were to pay £10,000 and claimed £480 as a set-off, on account of damages done; it was also agreed that they were to be free to trade in the Baltic[5], but according to M. Worms, the historian of the Hanse League, this part of the treaty was never observed.

A.D. 1392.

A.D. 1387.

A.D. 1378.

A.D. 1474.

[1] The chief disadvantages of English traders abroad were that having no establishment like the Hanse League, they had the expense of going to inns, while the Germans spent no money in this country (*Libell of Englishe Policye*, v. 464), and that they had to sell their goods within a very limited period, and therefore often at a great disadvantage. The men of the Hanse League could hold over for a better market, and could at one time sell by retail, as well as wholesale.

[2] *Rot. Parl.* III. 308.

[3] *Ibid.* 253.

[4] *Rot. Parl.* III. p. 52.

[5] Rymer, *Foedera*, original. XI. 793.

Weakness of League and

The fall of the League was partly due to weaknesses which were inherent in its constitution: the bond between the different towns which composed it was comparatively slight, and the financial system of the League was by no means sound: several towns, and notably Cologne, found it more profitable to trade in their own way rather than under the regulations of the League. But the decay of this great mercantile body was also due to the discovery of the new worlds, and the opening up of a more profitable commerce to points at which they had no established footing, and where they could be undersold by rivals who adopted less exclusive methods of trading[1].

Success of Merchant Adventurers.

Even while the League seemed to be in the zenith of its prosperity, there were English merchants who ventured to compete with its merchants in their own waters, and not without success. These were Merchant Adventurers: this name was given to any merchant who shipped a cargo to any port other than that where the staple was held. The merchants of the staple managed the entire trade which was generally centred at Calais, but all direct dealings with the Netherlands, or with any other country, were carried on by merchant adventurers. English traders had obtained privileges from the Duke of Brabant in the time of Henry III.: for purposes of convenience they organised themselves into a company with a governor, and frequented one special town as their depot, and the right of thus regulating their affairs was

[1] The regulated companies and even the joint-stock companies were in a sense national institutions: the Hanse League rested on the exceptional position attained by certain municipalities: it was the greatest development of a municipal or gild, as opposed to a national commerce.

confirmed to them by charters of Henry IV.[1] But their operations were not confined to any one point: before the fourteenth century closed, they had obtained a footing in Lubeck, Rostock, and other towns[2], and early in the
A.D. 1427. reign of Henry VI. they formed a factory at North Bergen[3] in Denmark, and thus forced the way into the heart of their rivals' district. As time passed, the Company of
A.D. 1496. Merchant Adventurers, like other trading bodies, became more exclusive in character; and complaints were heard of the way in which they abused their privileges[4]: but it may at least be said for them that they broke down the barriers which the Hanse League had reared, so as to open a wide field for the energy of individuals and the enterprise of associated dealers.

[1] Rymer, VII. 693, VIII. 360. See Malynes' *Centre of Circle*, p. 86. The whole history is investigated with great care and with the help of hitherto unpublished documents by G. Schanz, *Handelspolitik* I. 327—351; II. 539—589.

[2] Rymer, VIII. 112.

[3] 8 Henry VI. c. 2.

[4] 12 Henry VII. c. 6.

IV.

PRIVATE ENTERPRISE.

I.

COMPETITION.

54. Utility and Prices. 55. Money as Purchasing Power.
56. Stock-in-trade and Capital.

§ 54. THE breaking up of the mediaeval social system produced a very decided change in prices: not so much in the rates of prices as in the principles on which they were determined. So long as each man had his determined place in society, it was possible to calculate what his reasonable wages should be, and thus to estimate reasonable prices for the commodities he produced: but in the fifteenth century this was no longer possible. The craft-gilds did indeed make use of their monopoly for a time, but they soon began to feel the competition of alien and other outside craftsmen who were willing to accept lower prices, because they were not liable for the heavy payments to the gild. *Reasonable and*

When prices could be no longer regulated by retrospective calculation, they came more and more to be *competition*

determined by competition. With the subdivision of employments it had become increasingly difficult to name a price that should be precisely just, and competition prices from their greater convenience came slowly into vogue. From the writers of the sixteenth century we learn that a new industrial era was beginning to appear, and we shall best understand it if we try to trace its characteristics, as distinguished from those of the industrial régime with which we have hitherto had to do.

prices. When competition is the order of the day the fewness or plenty of buyers leads to the fixing of a just price; so that when buyers are many, goods are, *caeteris paribus*, worth more, and otherwise if buyers are few: such was A.D. 1513. the opinion of the theologian Medina[1] on the subject. The statement may be taken as an approximation to the modern phrase that prices are fixed by supply and demand, though even this latter phrase is wanting in definiteness. The older view had been that price was to be according to common estimation of the cost of production: no consideration of utility need be directly taken into account: to raise the price because of the particular need of the particular buyer was extortion: to consider the quality of the goods was unnecessary since that was seen to by the gilds[2].

Conditions of competition. It is true that in a large market where there are many buyers and many sellers, the effect of competition is to give a uniform and therefore a fair price all round: but the results are by no means so satisfactory, if customary or regulated prices are discarded, and prices are fixed by mere competition, although there is little competing. In many cases the physical conditions are not existent, which render it possible for many buyers and many

[1] *De rebus restituendis*, quoted by Scaccia, *Tract.* p. 120, n. 65.

[2] See above, p. 208.

sellers to meet: in such instances the price of any commodity at any particular time is settled by a bargain in which the seller can take the full advantage of his superiority, or of any accidental *scarcity*. The disuse of regulation in the determination of price may have made little change in large markets, or wherever the means of communication allowed many buyers and sellers to meet; but when such means of communication did not exist, prices were determined not by the competition of many buyers and sellers, but by the haggling of a single pair.

Cost of production,

If we contrast this new régime with the older one of regulated prices, we may say that the conception that has come to the front[1] in all such competition purchasing is not that of the *cost* of getting the article, but of the actual *usefulness* of the article at the definite place and time: only on an average and in the long run are competition prices related to cost of production.

and utility.

The really important consideration in the mind of the seller is the utility of the article: its usefulness to him if he resolves not to part with it, or its usefulness as a means of procuring other goods at a future time if he defers the sale: he may often part with it for less than the expense of production if he neither wishes to use it nor sees a chance of getting a better price. So too the buyer only thinks of the usefulness-of-the-article-to-him: he will not pay more for any piece of goods than will suffice to get him something else that serves his turn as well: the

[1] See above, p. 63. To put it briefly, in old times utility determined that an exchange should take place, but an attempt was made to regulate the terms of exchange by considerations of fairness; in the modern era, it is by mere reference to present or future utility (which obviously involves the consideration of scarcity) that the rate of exchange is agreed on.

expense of production is nothing to him, the utility of the article is all he cares about[1].

The expectations of the seller.

It has been noticed above that in every bargain[2], one or other of the two parties is less anxious about completing the transaction, and may therefore be said to have the advantage. The introduction of money very seriously diminished the advantage which the trader had over the producer and consumer, and by giving terms in which time and trouble could be estimated, gave the means for establishing a system of reasonable prices. The decay of the institutions which had arranged prices, and the introduction of open competition, gave new opportunities for the trader to derive advantage in driving his bargain[3]: the strength of the position however now lay with the man who had most knowledge, and who by foreseeing the course of competition could judge of probable prices. In this case we may say that the man who possesses an article which he wishes to sell for money is the one on whose judgment the price depends: if he foresees an increase of the supply, he will be willing to lower his price rather than not sell: if he foresees a decrease he will withhold the article rather than sell for less than the price[4] which he hopes

[1] In a large market this is disguised: the price to all is that which is expected to tempt just so many buyers to come forward, that all the stock offered may be sold: the price which all pay accords with the-usefulness-of-the-article to the least anxious buyer who actually buys it.

[2] See above, p. 62.

[3] See above, p. 210.

[4] The newspaper phrase that "prices are determined by supply and demand" is by no means satisfactory. It is obviously true that our mere desire for goods, unless we have something to offer for them, will never affect price, so that the "demand" spoken of must be an *effective* demand, or a demand combined with a power of supplying something in exchange.

to realise a few days or months later: the sale will not take place unless he chooses, and the price at which it will take place will depend on his calculations of what is worth his while—of the prospective utility of the article to him for purposes of sale or possibly for consumption.

Effects of competition.

From a consideration of the conditions under which price was determined, we see that an association of traders who combined together, and whose privileges gave them either a strict or partial monopoly, could obtain prices considerably above the cost of production, and that so long as their monopolies were main-

It is also true that the "supply" spoken of is not the mere physical quantity which the sellers of any article hold or can procure: it is only at a crisis or on a bankruptcy, when the seller is compelled to realise his goods at once, that his whole stock is supplied. Prices are not determined by the mechanical action of "supply" and "demand," but by the forecasts of the sellers as to the probable quantity which will be demanded under given conditions.

A man who has a strict monopoly of any article for a given time, will calculate the probable demand which will just carry off his stock; and will fix the highest price at which this can apparently be done. The same course may be pursued by a group of traders, who are perhaps associated—like the recent cotton speculators—for the purpose of creating the monopoly, of which they afterwards hope to reap the advantage.

The certainty of an increased supply at a given time, the knowledge that the article can be produced by others only at a dearer rate, or at cheaper rate than he produced it, will all affect the terms on which each seller in a market offers his goods. Business capacity simply consists in a power of calculating these probabilities readily, and selling or holding over, accordingly. The judgment and expectations (or speculations) of the holders of any commodity do as a matter of fact *set* (to use an old phrase) the price; and a theory of mechanical supply and demand which ignores this active factor, may perhaps describe the phenomena of price, but can never really explain them.

tained they could make large profits. This was the position of the *dealers* whose rise has been noted above[1]. It is more important to observe that so soon as competition came to be the one recognised method of agreeing on prices, all calculations of reasonableness were necessarily left on one side, and the evils which were exposed in Kingsley's *Alton Locke* and Hood's *Song of the Shirt* first began to shew themselves. But at the same time an immense stimulus was given to enterprise and business capacity: when the system of reasonable prices passed away it was no longer possible to prevent speculative trading. There was now a field in which the active man could push forward, and the man of capacity could speculate with success; and thus the breaking down of the old system gave room for an extraordinary development of industry and trading. The spirit of enterprise which had been checked before, now formed a field in which to assert itself.

Money,

§ 55. By far the most striking change, however, was the new view of *money* that was now introduced. In the older days coinage had given a unit for the comparison of one ware with another; but it was not an object which men were likely to seek after, except in so far as they desired to lay by for a rainy day. If they had large sums at command they could not invest them; and for far the larger part of the population, their food and clothing was practically determined by their status in the social system: so long as prices were arranged by calculation, there must have been comparatively little variation in the real reward which a man got for his labour; and with payments made partly in kind, attention was not directed forcibly to money as a purchasing power. But

as purchasing power.

[1] See above, p. 210.

with competition prices all this changed: the amount of comforts a man could obtain depended not on the regulations of his gild, but on the purchasing power of the money he obtained by the sale of his wares. It was no longer a mere matter of importance to regulate the coinage, and thus have a definite unit for the comparison of wares; money had come to be a thing for which everyone sought, not exactly for its own sake, but because of its *purchasing power* it was a convenient representative of all other objects of wealth, and as such a thing of which each man desired to have as much as possible. The new light in which money was regarded, and the stimulus which was given to industry, must apparently have led to the employment of sums that had been hoarded, and to the more rapid circulation of existing coins.

Stock-in-trade

and Capital.

The fluidity Capital

§ 56. One result of all these various changes was the appearance of a new factor in the economic sphere: we now for the first time hear of *capital*, in the modern sense of the word. Of course every craftsman must have had his *stock-in-trade* of materials and tools, as well as food and clothes; he must have had the means of waiting till his work was completed, as well as the means of working. But by capital we habitually mean more than this; we mean a store of wealth which can be directed into new and more profitable channels as occasion arises. Stock-in-trade is fixed and cannot be diverted readily from one channel of production to another: capital is to some extent fluid,—always being consumed and replaced[1], and so far changing its form that it is capable of

[1] In whatever form capital is invested this is true; even so called fixed capital, such as machinery, needs to be constantly repaired or renewed, and by ceasing to reinvest profits in keeping up the plant

transfer from one kind of production to another.) It was noted above[1] that coins were the form of wealth that was most readily susceptible of hoarding, and now as each man began gathering wealth, he proceeded to use it in any direction that seemed likely to be profitable. His wealth did not consist of stock that he used for his own work, but of capital which he embarked in the most profitable investment. Thus we find a sphere for a class of men who are rightly called capitalists, because they live on the profit of their capital, and are indifferent to the direction in which their capital is used so long as the return is satisfactory.

It has been noticed above that one result of the competition prices was an increased severance between the different classes of craftsmen: but the real reason of the modern disputes between capital and labour lies in the fact to which attention has just been called. It is true that capital cannot be transferred from one employment to another without serious loss, but it is equally true that labour can hardly be transferred at all. Capital is much more fluid, much more indifferent to the direction of employment than labour, and from this fact the difference of interest between capital and labour takes its rise. It is often the interest of a capitalist to withdraw from some line and try another venture, it is never to the interest of the labourer to give up the trade to which he has been bred and try his luck at a very different one.

greater than that of Labour.

In fact, with the introduction of competition, and a reference to utility instead of to reasonableness in prices, we find ourselves at once in the presence of all

capital is really withdrawn, whether it is invested elsewhere, or dissipated.

[1] See above, p. 74.

the phenomena of modern as opposed to mediaeval industry. We have openings for investment and speculation; we have a new feature in money as a purchasing power; we have the desire of wealth as an active incentive to work or business, in place of the duty to the gild which had so much more influence in earlier days; but most of all we have the condition of affairs which gave opportunity for the existence of capitalists. In all this we see signs of individual interest, and utility to the individual, as taking a prominent place, though in Tudor times private interest is still kept subordinate to gilds and to the State. This however may be said, the comparatively free play of individual interest was only possible, because society was now held together by firmer political bonds: real wrongdoing could be detected by the application of legal standards, and by the interference of recognised tribunals. Unless the State had since the time of Edward I. made its voice heard in matters of industry and commerce, the breaking up of the system of regulation and substitution of free competition, must have ended in utter anarchy. Even as it was, the period of transition proved a most serious strain on the stability of the state. The individual who follows his own interest without regard to the Family or the State is always a social danger; and a self-seeking which is absolutely unlimited by a regard for these institutions cannot be the basis of a permanent civilisation: only in a well established, and highly organised society can such individualism be suffered to exist at all. To many men during the sixteenth century it seemed that the seeking for private profit was the undoing of the State [1].

Modern Industry and the social conditions it pre-supposes.

[1] Strype, *Memorials*, II. Part II. pp. 352, 356. More's *Utopia* (1516), 34. Latimer's *Ploughers*. Starkey, *Dialogue* (1530), p. 66. One of the earliest writers who accepted competition as a fact, and tried to discuss its limits, was W. Stafford (1581). See below, p. 268.

II.

Champion and Several.

57. Enclosures. 58. Gradual break-up of manorial system. 59. The Monasteries and the Poor. 60. Competition Rents.

Enclosure

§ 57. It is in rural districts that we first find traces of the breaking up of the old social system, and introduction of the new economical conditions. This has been partly noted in speaking of the statutes of labourers and the rising of the villains and the consequences of these changes, but it is necessary to consider more closely the alterations which were made in the methods of cultivation employed: so far we have chiefly noted changes in the personal relations on the various estates.

in primitive times.

From the very earliest period of settled habitation there had been a certain amount of enclosure; each farm-house was surrounded by its yard, enclosing the out-buildings, and was thus in the strictest sense of the phrase, which still survives in Scotland, a farm tun, or farm town. While extensive culture was in vogue, and in so far as extensive culture survived alongside of the three-field system, there was a great deal of temporary fencing required, in order to keep the cattle from straying among the growing crops. So too when the three-field system became general, it was necessary to prevent the cattle which were wandering on the old stubble from

getting among the springing crops; and regulations on these subjects date from the time of Ine[1], while many passages in Domesday shew the important part that wood for enclosing played in the village economy. Such temporary enclosing by fences which were carefully removed[2], when they had served their purpose of protecting crops or hay, is a very different thing from the permanent enclosing which created such dismay in the sixteenth century. *Temporary and*

Even this permanent enclosing however cannot be ked on as a new thing in the fifteenth or sixteenth : the new portions of land cut out of the waste ve been from a very early time enclosed as ught under tillage by new tenants for the nor, while the rest of the community had any rights over them at all. To the he manor in the fourteenth and fifteenth centust have seemed increasingly desirable to have he control over all the land they possessed. The collective culture of the whole village lands on the three-field system implied the division of each man's land into scattered parcels, and a general agreement as to the method of working the land. To the manorial lords these provisions became more and more unsatisfactory: they preferred to have their land in one block, and under their own control; and when the new conditions of labour rendered it more difficult for them to keep their arable land properly filled, they were more desirous than ever to be independent of their neighbours, and free from the requirements of the customary culture. Sheep farming was, as we have seen, becoming more and more *permanent enclosure on manors.* *Sheep farming*

[1] *Laws of Ine*, cc. 40, 42. Thorpe, *Ancient Laws*, p. 127.

[2] Generally early in August on what were known as Lammas

profitable, and the lords were therefore desirous to make a permanent enclosure of their own parcels, which could then be managed on the plan that offered most prospect of a profit, as was already the case with the other portions of their estates. The lands thus withdrawn from the old common fields and enclosed by permanent fences, could be used sometimes for sheep and sometimes for tillage, so that instead of the old permanent arable land worked on the three-field system, we find the introduction of a

and convertibleness, and

convertible husbandry,—that is, an alternation in the use of considerable land for arable purposes. [illegible] labour in carting and spreading much more [illegible] crops which could be procured from a same [illegible] ploughed grazing-field were much more valuable, the profit on sheep was also very large. Besides, very little labour was required: permanent [illegible] hedges took the place of the old temporary fences, and less herding was necessary. With the better system of using the land too, a much smaller area was needed for tillage: a smaller quantity of ploughed land produced as large a return, so that far less labour was required on each estate than before. As, since the Black Death, labour had become so dear, any change which allowed for the employment of less labour was most profitable. Sir John Fortescue's evidence has been already quoted, and the two principal writers on rural economy in the sixteenth century speak very strongly in favour of the new system of convertible husbandry. One of these, Fitzher-

A.D. 1539. bert, whose *Boke of Surveying* is a rare little black letter printed in 1539, points out the advantages of the new

tem in his last chapter[1]. Thomas Tusser, in his versi-
Five Hundred Points of Husbandry, is of the same
nion[2], while another of his poems on *Champion and*
ral[3] expressly discusses the question, and proves the
eriority of the system of enclosures on many grounds,
well as by reference to those counties where it had
en most extensively introduced. A similar remark is
de by W. S. in the *Brief Co[nceit of Englishe Policye*[4], A.D. 1581.
shews that enclosed severalty was more profitable to
t that the change, especially if sudden, might be
with injustice.

gradual introduction

le system was probably introduced
e hear very much of the change.
n why the lands that had never formed
mon fields, but had been cut as new
the waste should not be worked on this
n as the lord chose to make the change.
ary step would be the uniting of several
small h[o]ldings, each of which had been worked by the labour of a family, and the leasing to one tenant who possessed a large number of sheep. Such evictions at the time when the increasing industry of the craft-gilds

See Appendix I.

Good land that is several crops may have three,
In champion country it may not so be
T'one taketh his season as commoners may,
The tother with reason may otherwise say.
October's Husbandry, v. 21.

[3] *Champion* country was that when there were open fields, not yet enclosed into separate (or *several*) plots. Nothing proves better how slowly a change in rural economy takes place than the fact that the same arguments had to be repeated at great length by Vancouver in 1794, *General view of agriculture in Cambridgeshire*, 195.

[4] *Harleian Miscellany*, IX. pp. 160, 181, 184. See also Pole in y's *Dialogue*, p. 97.

and the display of the lords with their retinues, w
making constant calls for more servants, might not
regarded as a serious grievance, and there would be
difficulty in making sweeping changes among the rec
introduced tenants at will, so long as the rights of t
who held by copy of the court roll were respected.
have already noticed that this revolution was p
ceeding (§ 50), and there is ample evidence from
during the fifteenth century. beginning of the fifteenth century that the agricult
population was diminishing, and that sheep farm
on the increase. The apparent reason fo
had given the occasion for the c
of labour; the real reason was the
new system of farming where little la
Besides the abundant evidence already
change may be traced in numerous statu
to those of Henry VIII. about decayed
farmhouses, in the Isle of Wight, and till
in the excitements of the time of Henry VII. an
Edward VI.

§ 58. The existence of the collective husbandry on the common fields of the village, was a barrier which prevented the lords of the manor from using all their land in the same way. The various parcels of land in these open fields were all intermixed, and it was impossible for one man to withdraw unless the whole system were given up. It was this which led manorial lords to try and attack the rights of the copyholders, so that they might enclose their own portion of the common fields: besides this where the common rights were forfeited it would be possible for the lord to enclose great portions of the waste which he would otherwise have had to leave for the sheep and herds of the commoners. The lords therefore took legal proceedings and obtained dec

Oppression and unjust eviction of copyholders.

better markets as the rich graziers did. That there was a great deal of speculative dealing cannot be doubted, but this can hardly have been the whole explanation. Nor can we regard it as sufficient to point out that wool, being an exported commodity, would feel the rise of prices owing to the influx of silver to Spain and Flanders from America, more rapidly than products of home consumption. The continued low price points to the fact that, while the supply of butter and poultry, which were the products of small farms, was getting dear, the supply of corn, under better management of the land, was still sufficient[1].

but social misery.

The amount of social misery need not lead us to underestimate the greatness of the economic improvement, though it may lead us to see that the question how far economic improvements are matters for congratulation is one that admits of more difference of opinion than may at first sight appear.

§ 59. The violence at this precise period, of the change which had begun so long before, was due to exceptional circumstances; for though the economic advantages were great enough to maintain the new system when it was introduced, they do not appear to have been in themselves sufficient to bring about its general introduction. In Cambridgeshire, in 1794, there were only 15000 acres of enclosed as compared with 132000 acres of open arable land: this could hardly have been the case if the changes had gone on steadily and continuously, owing to the proved economic advantage of convertible husbandry. The very rapid introduction of the new system in many places just after the Reformation was due to the enormous transference of landed property that then took place.

Violence of the changes

owing to the great transfer of land,

[1] Vancouver (*op. cit.* 219) estimated that rents would be increased £52,800, by the complete enclosure of Cambridgeshire.

The confiscation of the monastic lands by Henry VIII. in 1536, and again in 1539, was followed by the appropriation and sale of the lands of chantries and collegiate churches by Edward VI. in 1548. A moderate estimate would lead one to guess that about one fifteenth of the landed property in England must have then changed hands[1].

All analogy would lead us to suppose that the new system of tillage had been very little, if at all, introduced on monastic lands: the wording of the proclamation and instructions to the Protector's Enclosure Commissioners indicates that a considerable portion of the Church domain lands had been used for tillage, and that the old system of bailiff-farming had been continued as long as possible. In the tissue of falsehoods in regard to the state of the monasteries which was spun by interested lawyers at first[2], and which has been sometimes too hastily repeated by modern writers[3], we may perhaps discover a single element of fact: the reports go to shew that the houses were practically bankrupt, and that there was very little chance of their recovering a sound financial position without some very radical change. From a purely economical standpoint the confiscation may have been justified, and the production of the lands been increased when they were granted to the nobles who had cast in their lot with the party of change, and were gathering their reward in the general

on the dissolution of the monasteries.

Causes of dissolution.

[1] The amount of ecclesiastical wealth in 1535 was officially returned by special commissioners, and is recorded in the *Valor Ecclesiasticus*. For a very careful comparison of the wealth of the Church in the time of Edward I. (see above, p. 165), and of Henry VIII. see Dixon's *History of the Church of England*, I. 249.

[2] Dixon's *History*, I. 328, II. 142.

[3] Froude, *History of England*, ch. x.

scramble which ensued.) (It was on these lands thus suddenly transferred that the new system was ruthlessly introduced by lords who had no knowledge of, or feeling for, their new tenants; and the social change came most sweepingly on those very estates where the old tenures and methods of culture had been least impaired[1].)

and effects on the condition of the poor.

The breaking up of these houses, had also a serious effect on the condition of the poor: the chief provision for them was done away when the doles at the religious houses ceased, while at the same time the number of unemployed vagrants must have been greatly increased when these old communities were disbanded.[2] But a much more serious matter was the breaking down in so many quarters of the old social system. The manorial system had been the great preventive of pauperism, and now that the old ties of service and obligation were being broken, the greatest difficulty of modern society began to be felt, not only in towns, but in rural districts as well[2]. (In the old days there had always been a lord who was responsible for the support, as he could claim the labour, of the able-bodied poor on his land: but the effect of the great agricultural improvement had been precisely analogous to that of the introduction of machinery in the present day: much more could be produced with less toil, and therefore, for keeping up the necessary supply of corn, comparatively few men were needed: the rest were evicted from their holdings, or no longer employed by the large farmers, and thus set adrift in the world with no means of support and no field for their accustomed labour.) This must have been a constant change during the fifteenth

Restraints on pauperism removed.

[1] Supplication of the poor commoners to the king, in Strype, I. p. 398.

[2] See above, p. 155.

century as sheep-farming came more and more into vogue, but the evil was felt more forcibly when the re-
Vagrancy. tinues of the nobles[1] were disbanded and large numbers of idle, as well as of unemployed, men were let loose on society.

Legislative remedies A great deal of legislation of the sixteenth century was in consequence concerned with attempted remedies for this growing evil: on the whole, the lines which had been sketched in the legislation of Richard II. appear to have guided the advisers of the Tudor monarchs. One of his statutes[2] had insisted on provision being made for the impotent, while the confirmations of the statutes of labourers all provided for the punishment of the valiant beggars, while special statutes altering the punishment—from imprisonment to two nights (subsequently one) in the stocks—were passed by Henry VII.[3]

of Henry VIII. From 1530 onwards, however, the question of poor relief obtained a prominence which had never before been given to it. The chief difficulty, even before the fall of the monasteries, appears to have been felt about the maintenance of the deserving aged and impotent poor, and means were provided for allowing them to beg within certain districts, while all unlicensed beggars, impotent or sturdy, were to be severely punished: but experience soon proved that something more was needed, and in 1535 the step was taken of organising the charitable relief in each parish under the church-wardens. Indiscriminate private charity was discouraged, and the poor were to be maintained out of a voluntary common fund gathered in poor boxes in whatever way seemed most convenient. More severe penalties than ever were at the same time imposed on the sturdy beggars.

[1] More. *Utopia*, 29. [2] See above, p. 224.

[3] 1490 and 1504.

There was a general impression that the fall of the monasteries greatly increased the number of the poor[1]; the evidence already brought before us shews that the increase of pauperism is rather to be ascribed to the social changes, of which the impoverishment and appropriation of the monasteries was a symptom. No farther steps were taken by Henry VIII., but his son had recourse to very severe measures immediately on coming to the throne: by a statute of his first year, those who informed on sturdy vagabonds were to be allowed to retain them as their slaves[2], to brand them, and to confine them with chains: while their children might be taken from vagabonds to be brought up as the slaves of those who were responsible for them until their apprenticeship expired. By the same statute habitations were to be provided where the impotent poor might dwell and be "nourished with alms:" but the whole is noticeable as evidence of the existence of the evil, not as a successful remedy, for the statute was repealed before a couple of years had expired.

Edward's repressive measures and

The 5 and 6 Ed. VI. saw new provision for the carrying out of the charity organisation plan: moral suasion, by the churchwardens, the curate, and even the bishop, was to be brought to bear on those who did not give, according to their means, to the poor fund of each

charity organisation.

[1] Dugdale says, "while the houses stood there was no act for the relief of the poor, whereas in the next age there were no less than eleven bills for this purpose." *Warwickshire*, p. 803, quoted by Eden, 96.

[2] This reads like an attempt to carry out some of the suggestions of More's *Utopia* (p. 121). Or it may have been an attempt to re-introduce the old system of mutual duty and responsibility by act of Parliament. From another clause we gather that villeins in gross still existed in England. Cf. Harrison's description in Holinshed's *Chronicle*, I. 275.

parish; and similar steps were to be taken with collectors of the fund, who did not make a proper account of the way in which they disposed of it. No change was made in Queen Mary's reign, except that the time for raising the fund and appointing administrators was changed from Whitsuntide to the more seasonable time of Christmas[1].

Elizabeth's legislation and

The 5 and 6th Elizabeth gave a great code for many matters connected with the lower classes. The absurdity of enacting the rates of wages by statute was felt at a time when prices were rapidly altering: and it was decreed that the Justices of the Peace should every Easter arrange the rates of wages that ought to be paid, having regard to the circumstances of time and place (c. 15). But attention was also given to those who were unable to work, for by the same statute (c. 5) the moral suasion of the previous reign was to be enforced by the penalty of imprisonment, to which those became liable who did not give to the poor fund, or who did not account for its administration. This was the beginning of compulsion in the matter of contributing to the support of the poor; and in 1572 a farther step was taken by providing that the money should be raised by assessment. (Any balance of the fund thus raised, after maintaining the impotent, was to be devoted to setting vagrants to work; while in 1576, the justices were empowered to buy buildings and a stock of hemp or other materials; from this we must date the first step towards the institution of *workhouses*[2].)

Compulsory rates,

It was however in 1597 that the most important change was made, for in that year the justices were empowered to levy the assessment by distress: and in 1601 the whole system was codified, though very little addition was made to the statutes then in force. Poor

[1] 2 and 3 P. and M. c. 5.

[2] See below, p. 359.

rates could be levied, overseers appointed, and the impotent supported; for them, and them only, cottages on the waste might be erected and maintained; in the workhouses, those who were willing to labour should be employed, while those who would not work but preferred to wander idly should be punished. (Maintenance for those who cannot work, punishment for those who will not, and work for all who will do it,) were the principles of this memorable law.

and other contributions.

(The heavy charges thus imposed were lightened by the assignment of profits from ecclesiastical jurisdiction): the fines for offences against morality, of which the Courts Christian had cognizance, and for similar malpractices, went towards the relief of the poor and consequent reduction of rates. Such were the fines for swearing and tippling[1], and for not going to church on Sunday, an offence for which the churchwardens might levy a fine of twelve pence[2].

Difficulties of small farmers.

§ 60. The imposition of the heavy rates which this system involved must have been a serious affair, especially to the smaller farmers, who were already in difficulties about paying their way at all. It was not only that they had to face the rise of prices of all sorts of goods, but that many of them were working on the old three-field system, while the better method of production poured large quantities of corn into the market: on the other hand all arable farms had to face the competition of the very profitable use of the land for sheep, and were thus let at very high rents.

Enhancing of

Complaints of this were heard before the middle of the sixteenth century: indeed "rent-enhauncing" was the stock instance of covetousness in the sermons of the time.

[1] 23 El. c. 10, 2 Jac. I. c. 9, s. 27.

[2] 1 El. c. 3, § 11.

Rents complained of by Latimer,

Latimer's Lent Sermons in 1549 are full of bitter invectives and of very interesting facts[1]. His account of the farm at Thurcaston on which his father had lived as a yeoman at three or four pounds a-year, while the present
A.D. 1549. tenant paid sixteen pounds, and of the difference in the pecuniary position of the two men is most instructive: the one could educate his family and lay by money for his daughters' portions, as well as give to the poor and equip himself for the king's service, though the other was unable to do more than get a starvation livelihood for himself and his children[2]. The same complaint was heard in many other quarters, but it is discussed with the greatest care in the dialogues entitled *A Compendious or brief examination of certaine ordinary Complaints*, which were published
A.D. 1581. in 1581[3]. They were written by W(illiam) S(tafford), not as was once supposed by Shakspere, and are of the greatest interest as being a thorough and statesmanlike discussion of the economical and other troubles of the time. It may be doubted whether in the whole range of economic literature there is such an example of a high toned, clear and thorough discussion of the grievances which ordinary men suffered.

and by W. S. who discusses

the grievances of different classes,

In the first dialogue their grievances are stated by a husbandman, knight, craftsman, and merchant respectively,

[1] "You landlords, you rent raisers, I may say you step-lords, you unnatural lords, you have for your possessions yearly too much. For that here before went for twenty or forty pounds by year (which is an honest portion to be had gratis in one lordship of another man's sweate and labour) now is let for fifty or a hundred pounds a year." *Latimer's Sermons* (Parker Society), p. 99. "Let these terrible examples suffice at this present to teach and admonish the enhancer of rents." *Ibid.* p. 109. See also Thomas Becon, *Catechism*, &c., (Parker Society), 599.

[2] Latimer's *Sermons*, p. 101.

[3] Reprinted in the *Harleian Miscellany*, IX. 139.

while a doctor subsequently succeeds in refuting the current fallacy, in which Latimer and Hales shared, that the mere covetousness of the lords in raising rents was the cause of the general high prices[1]. He shews that in very many cases there were old leases or copyhold tenures which precluded the raising of rents, and there were instances of landlords who did not raise the rent even when they had the opportunity of doing so[2], while one man at least, lowered rents which he had already raised[3]. The raising of rents was not by any means universal though the rise of prices was felt in commodities of all kinds wherever there was an open market.

the profitableness of sheep farming,

The real reason for the decay of tillage,—that sheep-farming was more profitable,—is also stated, and the suggested method for altering this state of things is quite to the point[4]: if taxes were levied on the export of wool, it would no longer be so profitable to raise it, while if the free export of corn was permitted, the arable farmer would have a larger market for his produce, and would find it worth his while to have a greater area under plough. In this way the tendency to turn arable land into sheep-walks would be checked, as the one way of using land would pay as well as the other. The rent of a farm would then be adjusted to what could be fairly raised from tillage: whereas at the time of writing, the rent to be paid for an arable farm was forced up to what the land would be worth if used for grazing.

The real reason why grazing-farms were more profit-

[1] *H. M.* IX. p. 157. [2] *H. M.* IX. p. 156.

[3] *Latimer's Sermons*, 102.

[4] Modern Political Economists might have protested against any attempt to alter the direction of national industry; to these men it seemed that the destruction of the yeomen class would be a loss to the effective force of the nation for which no pecuniary gain could properly compensate.

able than corn-land—even when worked upon the convertible system,—was that so much less labour was required; but this was just the very reason why so much objection was felt, not to all enclosing but, to the turning of arable land into pasture: it is to this, and this only, that W. S. takes exception. He would wish to see the profit on wool heavily taxed, so that the landlords instead of taking farms into their own hands for grazing purposes might let them to farmers, and thus set rural industry in motion. So too although he was well aware that convertible husbandry on enclosed fields was more profitable, he was anxious to see the old system maintained as a security for the preservation of a rural population[1].

while deploring the decline of agricultural labour,

and examines of the true limits of competition.

One chief interest of the tract lies in its recognition of competition as the principle according to which economical affairs were coming to be determined[2]; unlike Sir Thomas More and the preachers, this writer does not inveigh against the following of private gain, or one's own commodity, as being a sign of wicked covetousness: nor on the other hand does he fall into the error of the modern *laissez faire* school in supposing that the increase of private gain is necessarily "profitable to the whole commonweale" (101). He tries to find a limit within which private profit is beneficial and holds it for true "that that thing which is profitable to each man by himselfe, so it be not prejudicial to any other, is profitable to the whole commonweale, and not otherwise." Ac-

[1] *H. M.* IX. p. 185.

[2] "Every man will seeke where most advantage is and they see there is more advantage in grazing and breeding than in husbandry and tillage by a greate deale. And so long as it is so, the pasture shall even incroch upon tillage, for all the laws that ever can be made to the contrary." "And how think ye that this might be remedied then?" "To make the profit of the plough be as good, rate for rate, as the profit of the grasier and sheepemaster is."

cording to his scheme of politics it was desirable for the state so to treat different kinds of industry, that the private interest of the citizens should direct them into the course of conduct that was most for the social well-being of the whole realm.

Whether the maintenance of the yeoman farmers on their small holdings would have been in the long run desirable is one of these speculative questions[1] which we need not pause to discuss, though many in the present day appear to share the opinion of W. S. The suggestions which he made for checking the tendency which was then at work were not carried out, and the change he deprecated continued, until with an increasing population, improved tillage, and a change of markets, the profit of the plough became 'as good rate for rate as that of the grazier[2]', and it was no longer to his flock, but to *Competition Rents*

[1] What part would they have taken in the struggles of the seventeenth century? Would England have borne the strain of the French wars?

[2] This almost seems to have been the case at the time of Harrison's *Description of England*, 1586. The appropriating of copyholds and common rights seems to have continued (Holinshed, I. 308), but our price of corn was high (341), a good deal was exported by license or smuggled (340), and "more land was under ear than ever before in England" (283), and the complaint of an overstocking with sheep, is introduced as if it were the practice of exceptionally bad landlords (*ibid.* 318, 340), and this was rather for pleasure than for gain (*ibid.* 344). We cannot really reconcile these accounts by lapse of time, but must regard them as the more and less favourable sides of the same picture. W. S. tells us what was commonly said, without making himself wholly responsible for the accuracy of the complaint: he did think there was some cause for complaints, but only reports them in their popular and possibly exaggerated form. Harrison attempts to give an accurate description of what was going on. So far as this is an insufficient explanation of their want of agreement it may perhaps be accounted for by differences of place. Where W. S. wrote we cannot say. Harrison

his corn that the farmer looked for the means to pay his rent. Before the end of the sixteenth century competition had so far come into vogue in the rural districts that rents tended to be determined, not by common calculation of what was reasonable from the probable return of the land, but by the competition of those who made offers as to the terms on which they would take the land[1].

only knew personally the southern counties, and especially Cambridge and Kent.

[1] Two points must be distinguished, (1) the new mode according to which rent was calculated, (2) the larger amount of rent paid: both are included in the current complaints about the enhancing of rent.

Leaving out of account *fixed* rents, which were of course *quit* rents (see above, p. 100), the rents of the tenant farmers (p. 196) were probably arranged by common calculation as to what they could pay and live. With the rise of prices during the sixteenth century they could certainly pay more: so that even according to any method of reasonable calculation, rents would have been raised. The farmer would sell his produce for more money, and therefore he could fairly afford to give his landlord a higher rent.

But when the question arose how much higher, a new difficulty was felt. In the uncertain state of the coinage, and of prices, the difficulty of agreement as to calculation was unusually great; and the rate came to be settled by the *competition* of the many men who wished to have the land. Those who wished to use it for sheep-farming could offer more than others, and they got it: the rent of each farm was the sum which the highest bidder offered to pay; he estimated (1) what gross produce he could obtain from the land and how he could sell it, (2) what amount of that produce would repay him at an ordinary rate of profit for his capital and labour, and therefore (3) what surplus he could offer the landlord as *economic rent*.

Owing to the progress of society, and increase of a population requiring to be fed, the causes which render it possible to pay a larger amount of rent, whether determined by competition or not, have been steadily at work since the sixteenth century, and especially during the present century. The gain which thus accrues to those who have private property in arable land (see above, p. 50) is known as the *unearned increment from land*.

III. Capitalists.

61. Towns and Suburbs. 62. Bullion as a Commodity. 63. The Mines of America. 64. Depreciation and Recoinage. 65. The effects of high prices.

§ 61. We have found that the constant assertions of contemporary writers as to the decay of tillage rest on a misapprehension, and we must exercise a little judgment before we accept the sixteenth century complaints as to the decay of towns. There is evidence of increasing commerce, and much care was taken in making of harbours and roads, and in regard to the paving of streets and other matters of the sort: that this should be found along with a simultaneous decline of both agriculture and industry seems strange, but is not impossible[1]. By devoting herself to producing raw wool for export, England could buy foreign manufactures more cheaply than her craftsmen could produce them[2]. But there were other reasons for the state of affairs described *The decay of towns,*

[1] Schanz, *Handelspolitik*, I. 563—575.

[2] Armstrong's very instructive *Treatise* (1519) is a vehement demand for the protection and encouragement of English industry: by trading in raw materials our merchants may become rich, but the realm could not be so prosperous as by employing the inhabitants in tillage and manufacture. Starkey (*Dialogue*, p. 173) writes strongly on the same side. The protectionists in our colonies take a very similar line.

A.D. 1535. in the preambles of the statutes of 1535 and 1541. Houses had, it was said, been burned down in Norwich and not rebuilt: waste places were left in many towns which became choked with refuse of all kinds, to the serious risk of the inhabitants' health. There can be no doubt that many of the older towns were positively decaying; but this did not really prove that the whole industry of England was declining, but only that owing to certain social conditions in the older towns, the industry of the country was leaving them and finding a habitat in what were then insignificant villages.

due to the migration of industry

Since this was the nature of the evil, we need not be surprised at the failure of the first rough and ready remedy which was suggested. The simple method of insisting that the houses should be rebuilt within a certain period, was not probably very effective, for it did not touch the cause which had really been at work. The truth was that the development of industry in these towns was fettered by the restrictions of the craft gild. The ordinances by which they attempted to check competition between members, to limit the number of journeymen or apprentices who were employed, and generally to dictate the terms on which production should be carried on, hampered the enterprising man and kept him from making the most of his stock-in-trade or his capital. Besides, the craftsmen who lived within the boundaries of the towns were compelled to be free of the town, and to work under the jurisdiction of the gild. But the superseding of special privileges had gone so far that the freedom of many of the cities may have been of little benefit; while the unfree craftsman who did not live actually within the town was not liable to such heavy payments to gild funds, or towards the town rates. It thus came to be a distinct advantage for the craftsmen to settle in

because of the cramping effect of gild payments

the suburbs rather than within the limits of one of the older towns. Many towns were decaying, not because English industry was declining, but because it was being located in suburbs and villages rather than in the older towns. The rise of such places as Birmingham and Manchester[1] is said to date from this period of the migration of industry to a freer atmosphere.

and craft regulations.

But not only was the suburban craftsman free from the heavier payments of the gild brother, he was in a position to develop his business in whatever way seemed to him to be profitable. The hours of labour, the number of apprentices or servants he kept, and so forth, were now entirely in his own control. It was the suburban craftsman who could really find occupation for additional capital[2] in his own business, which he would have been prevented from doing by the regulations of each trade society in a town. From this it followed that the more pushing men, who were saving money and adding to their capital, preferred to establish themselves in suburbs or in villages, rather than in one of the older towns.

That the old towns, and old gilds could not hold their own against such competition was really a matter of course: in Scotland the free towns made a vigorous effort to preserve their dearly bought advantages by stricter regulations, and appeals for assistance from the government, and we read of evasions attempted there, as for example by an outside capitalist entering into partnership with a poor freeman[3]. In England there

Capitalist craftsmen.

[1] Manchester is singled out as an exceptional example of industry both for linen and cotton manufacture by Roberts, *Treasure of Traffick* (1641), p. 33.

[2] Large capitalists consequently preferred to be outside the towns. 2 and 3 P. and M. c. 7.

[3] *Records of Convention*, I. p. 19. Such partnerships were also

seems to have been comparatively little hindrance[1] objectionable from the point of view of mediaeval morality, as there was no means of determining what share would be *reasonable* for each to claim. Endemann, *Studien*, p. 354.

[1] We hear of a very bitter struggle between the freemen of Newcastle for their ancient privileges, and the craftsmen of the neighbouring villages. The grievances of the unfree craftsmen and others were urged with much force and learning by Ralph Gardiner, who made an earnest appeal to the Protector, and published the evidence by which he supported it in 1655, as *England's Grievances Discovered in Relation to the Coal Trade.* The very curious woodcuts render this work specially interesting. A few cases are worth quoting. *Thomas Heislewood* deposed that by a storm he, in his ship, was "cast ashoar near Tinmouth-Bar, and in great danger of their lives which were on board of the said ship, and was constrained to cast his coals into the sea, and thereby got his ship to Shields, where she lay like a Wreck, the water having free passage in and out. He this deponent got on shoar, and repaired to one Collier, a free carpenter of Newcastle, desiring him to mend his ship and for hastes sake, he would procure thirty or forty of his neighbours, Masters of Ships Carpenters to help him, but the said Free Carpenter replied that he had taken an oath in Newcastle with their Company, neither to work with any Unfree Carpenter, nor to set any on work, by which means, he this Deponent was constrained to patch up his ship with his single Carpenter, and adventure to London to get her upon the stock, where he and his company were in great hazard of their lives and losse of the ship." p. 73. *Gawen Pots* affirmed "That no strangers shippe whatever, though she be in never such great distresse and sinking, must be pylotted into the River by any other seaman than a Freeman of Newcastle. In the intrim one is sent for (being sixteen miles backward and forward) often either she is lost or driven away by storm." p. 74. Henry Harrison Master of a ship upon his oath said, "that in April 1646 a ship falling into Tinmouth Haven by storm was cast upon the rock near Tinmouth Castle. The Master got ashoar with all expedition, and obtained the present help of an ancient ship carpenter, by name Thomas Cliffe of North Shields, with three of his men to save the said ship from perishing, which ship had been quite lost if the said Master should have run to Newcastle to have agreed with the free Carpenters, whose excessive rates and demands often surmounts the value of the ship in distress; and their tedious-

to the rise of capitalist craftsmen who gradually supplanted the members of the gilds, who though masters of the craft, were workers and laboured themselves along with a restricted number of apprentices. The introduction of this capitalist industry is closely parallel to the change in the rural districts, where the small holdings were being united and let to men who had capital enough to work a large farm on the most remunerative system. In both cases the men with large capital,

Growth of Capital favoured by

ness in coming and going that distance, that often the Ships in distress are quite lost. The said Cliff and his men saved the ship and got her off, and brought her to the lower end of the North Shields, and laid her upon the sands to mend her. Where the three Carpenters were at work. And Ann the wife of Thomas Cliffe, and Ann Wallice his daughter, standing (to see their servants work) near unto the ship. The Mayor and Burgesses of *Newcastle* sent *Thomas Rutter* and *John Hall*, two Sergeants with *Thomas Otway*, *Richard Toderick* and other Free Carpenters of *Newcastle* to *Shields*, to seize upon all the foresaid Workmen, for daring to save any ship from sinking in that River, with command to carry them to prison. The two women seeing their servants trailing away, railed against their evil practices, for which *Thomas Rutter* with a club, by several blows upon *Anne Cliffes* body and head knockt her down to the ground: the other Sergeant *John Hall*, by several blows with a Rule or Truncheon broke Anne Wallice her arme, and then perceiving Souldiers coming from *Tinmouth* Castle, both the said Sergeants fled to *Newcastle* where they were protected from the hand of Justice." p. 81. See also Cliffe's *Petition*.

The excuse for the authorities at Newcastle was that they paid very heavily to the Crown for their freedom, and had a right to the monopoly of the coal trade by means of which they were able to recoup themselves. As coal mining could not migrate to another part of the country they were able to maintain their monopoly longer than most free towns.

It is obvious that such regulations were a great hindrance to industry and trade, and that wherever it was possible for it to migrate, industry deserted the old, and sought out some new centre.

unfettered by restrictions, either customary or framed by gilds, had the best chance of succeeding. This was especially true at a time when there was a violent and permanent change in the state of prices, and consequent distortion of all commercial relations, such as was brought about, not only by the breaking down of the social system and opening of new fields for investment, but by the discovery of America and diffusion of large quantities of bullion throughout Europe.

the discovery of the mines of America.

§ 62. To understand the way in which these discoveries came to affect English trade we have to turn our attention to a wider field, and to notice very briefly the state of affairs in Europe with respect to the precious metals.

It has been often noticed[1] that there was a constant decrease in the quantity of the precious metals in Europe[2], until the importation of bullion from America began; it is not impossible however that this rather affected convenience of trading than the prices of goods[3]: coins served as units of comparison of objects whose relative value[4] was determined by reasonable calculations and not by the quantity of coins they fetched in the market; at any rate there is no sign of a steady fall of prices during the period when the quantity of bullion

Previous scarcity of silver,

[1] Walker, *Money*, 129.

[2] From the nature of English trade this was apparently less felt in England than in the rest of Europe; cf. Henry of Huntingdon quoted above, p. 135: and the same statement is made for his own time by Fortescue, *Comodyties*.

[3] See above, p. 147, note.

[4] That is their relation for purposes of exchange to other useful goods: only when the utility of goods came to govern exchanges was money taken as a representative of any sort of useful things as therefore pre-eminently the useful (or the *needful*) and as therefore the representative of valuableness.

was steadily decreasing[1]: during the last half century of that time there is instead a decided rise, which was probably due to the break-down of the old system of regulation and the introduction of new methods of determining prices and of better opportunities for the investment of hoards.

which was necessary for trade,

Though bullion was so scarce, it was practically necessary for purposes of trading, as the inconvenience of barter is very great; besides, a large portion of the business of the world was formerly carried on at fairs, or by merchants whose visits were irregular, so that it was necessary that transactions should be completed at once. It might not always be possible for a merchant to buy to the full amount of his sales, and under such circumstances it was necessary that the balance should be settled for on the spot. To carry this out would require that each merchant should take about with him a good deal of bullion: but the expense and risk of this was so great as to make any other plan preferable, and we consequently have from a very early period a system of exchanges, in order to facilitate the settlement of accounts in money without a constant transmission and retransmission of bullion, as well as for purposes of papal taxation and of warfare.

and system of exchanges,

The business in all these cases was assumed to be merely that of conducting exchanges; jurists and canonists argued that when account was taken of the difficulties of carriage, pure silver was pure silver everywhere, and that the chief point to be considered was the different sizes and quality of the silver coins of different countries. The rates of exchange were, in the latter part of the fifteenth century, treated as a matter which could be

[1] The abnormal decrease of bullion during the reign of Edward III. did affect prices. See above, p. 187.

and Money Fairs.

settled from time to time according to the state of the coinage. At the great fairs at Lyons and subsequently at Besançon by far the larger part of the business done was that of carrying on exchange: on the first day of the fair the various merchants of a certain standing announced the terms on which they were willing to exchange with different countries, and on the second day an authoritative declaration was made of the fair terms of exchange with any foreign country. For this purpose, with the constant fluctuations in all actual coinage, it was necessary to have a unit which should be common to all lands[1] and free from the possibility of depreciation; and everything was reckoned by means of an imaginary unit—scutus marcharum—or money of account; so that the form which business took was not that of buying bills, but of exchanging these fictitious coins, made realisable in one town, for quantities of the actual coinage of another country, according to the authoritatively declared rate which took account of the difficulty of transport and of various risks. A *scutus marcharum* was worth in Genoa 67⅓ soldi of the actual coinage of the place. The question to be settled was what, at this time, shall be paid in Piacenza for a scutus-marcharum-in-Genoa[2]? This was the fair rate of exchange, and the announcement of it was intended to exclude the operations of private speculators[3], and to secure a division of the advantage between each of the parties transacting business[4].

Change of opinions about the value of money,

But as time went on, instead of trying to calculate a rate at which the sums exchanged should really be

[1] Raphael de Turri, quoted by Endemann, *Studien*, p. 183.

[2] Endemann, *Studien*, p. 216.

[3] That it was not very successful in this direction is a matter of small importance.

[4] Endemann, p. 225.

equivalent, men recognised that a rate was fair which was settled in open market without any compulsion. This marks the complete departure from the scholastic point of view which denied that bullion could be sold, and insisted that it could only be exchanged; it shews too a neglect of the supposed intrinsic valuableness of bullion, and an understanding of the fact that the value at the fair, of the money of any country, depended on the demand by e.g. merchants who had imported Genoese goods for *scuti-marcharum-in-Genoa*. Besides this, the value of their coinage was affected by the actual supply of bullion in the different countries; in France at one time it was in great requisition on account of the constant wars: in Italy whence the mercenaries came it was from the very same reason very plentiful. Coin was not after this time so much regarded as a commodity which had an intrinsic worth[1]—though affected by differences of distance and cost of transport,—but came to be looked on as a commodity whose valuableness-in-each-land depended on special circumstances and commercial relationships affecting the supply and demand. But these special circumstances were subject to constant change, and therefore it was seen that it was fair to take the element of time into consideration in determining the rate of exchange.

[1] The old standpoint was maintained by Gerald Malynes (see below, p. 311), whose *Lex Mercatoria*, published in 1622, but reaching a third edition in 1686, is an extraordinary storehouse of information about the ordinary practice of merchants and traders, while it is an interesting monument of antiquated opinions. The author was willing to admit the Copernican hypothesis, *gratia argumentandi* (p. 46), and had had 4000 lbs. of lead transmuted into mercury by a man who unfortunately died in possession of his secret (p. 179).

and the worth of Time.

The letter of credit bore on its face that it ought to be cashed at a definite date: if it was not so cashed, there might be a real loss from some unforeseen occurrence: and thus it came to be recognised as a justifiable thing to make an agreement for the payment of interest if the letters were not honoured at the specified time[1].

Effects on opinions about usury.

This is a most important point in connexion with the decline of the doctrine of the sinfulness of usury. Time had been regarded as one of the free goods which was given by God to all,—it was neither made nor appropriated by human beings,—it was not theirs to sell: but when men recognised that the value of money depended on relations which were affected by time, it was no longer possible to pass over the value of time. We have already seen that to keep men from engaging in money-lending under the colour of exchanging was impossible, even when the consideration of time was ignored and only a charge for labour was permitted; and the business could from this time onwards be pursued with less of subterfuge. The whole of the conditions on which the objections to usury had been based were now passing away: there was a field for the investment of capital[2], and the worth of commodities fluctuated so that the loss of time might be the loss of money.

Influence of these changes

There was then a change going on in the estimate of bullion, which was precisely parallel to that which was taking place in regard to all other commodities: men no

[1] Endemann, *Studien*, p. 236.

[2] See above, p. 139. The "attorney" in Wilson's *Discourse upon usurie* (1569) distinguishes three possible classes of borrowers —the Beggar, the Poor Householder, and the Rich Merchant; and while insisting on charitable treatment of the others, argues that with the rich merchant "I may deal streightly and aske mine own with gaine, when I deale with him that maketh gaine of my money." p. 41.

longer tried to estimate a reasonable rate, but recognised that competition rates of exchange were fair; and that the variations in offers were due to the different utility of bullion, as affected by special circumstances in each different place. By such institutions as these fairs, dealers in bullion could judge of its utility in different places; and money would undoubtedly flow where it was most wanted either by commercial men or by governments[1]. Other things being equal, the direction of the flow of silver came to be determined by the use that could be made of it in each land, and its usefulness in that place was exhibited by the prices declared at the great money fairs. So long as the prices of goods were fixed by calculation, as masses of bullion were hoarded, and rates of exchange were only supposed to have reference to cost of transport, a condition of things existed in which, so far as one can see, no general diffusion of the metals that came from America need have taken place. Robbery or conquest would have been the only means by which bullion would have passed from the hands of their first possessors: enormous hoards might have existed in Spain with little effect on prices there, and next to none on commerce elsewhere. Even as it was, the using of large masses of gold and silver for the decoration of shrines and for similar devout objects, must have made a very great diminution in the quantity of the precious metals which passed through Spain into the rest of Europe.

on the distribution of American Silver.

§ 63. The general rise of prices was partly due to causes that have been noticed above[2], and that were quite independent of the influx of the precious metals;

[1] From one point of view the meaning of the Mercantile System was to adjust the commercial flow of bullion so as to provide plenty for the government. See below, p. 313.

[2] See p. 249.

but simply owing to the circumstance, that from social changes, silver and gold were commodities that had come to be of more practical use. They were there-
The import of silver fore brought out of treasuries into actual use; at the same time we must recognise that the long continued rise of prices which went on in England till about the time of the Great Rebellion, was due to the influx of precious metals from America.

The first visitors to the West Indian islands and the American continents were astonished at the amount of
from the West Indies, gold and silver which was worn as ornament by the savages: they came too hastily to the conclusion that the quantity which the land contained must be enormous. They did not know that the natives carried about their entire hoards in the form of ornaments, or that their readiness to part with their gold for new fashioned trinkets, only shewed that hawkbells were a novelty, not that gold was very plentiful. The most terrible tyrannies failed to extract a large regular supply from these sources: and even after the conquest of Mexico and of Peru the silver that was sent to Europe was only the spoil of conquered realms, and not a supply that could be constantly kept up. It was after 1545,
and Potosi. when the mines of Potosi were discovered, that the regular flow of the precious metals to Europe began; at the same time, the interest in mining speculation in Europe received an impetus, and the quantity of bullion which could be used as coins was enormously increased.

Application and distribution of silver A great deal of the bullion brought from America was undoubtedly devoted to other purposes: immense quantities were used in the manufacture of silver plate but a still larger amount passed, through the hands of Portuguese and Dutch merchants, to Hindoostan and the East. The new route by the Cape of Good Hope

had given a great incentive to the Indian trade[1], but it still took its old form—the import of silk and spices and export of silver: in spite however of these methods of consumption and of the slower but constant waste by wear and tear, the increase of the quantity of the precious metals in actual use as money was unexampled[2]. It cannot be a matter of surprise that for many subsequent years the question as to the means by which any of the countries, or monarchs, of Europe should have a share of this enormous mass of bullion, was a matter of the very keenest interest[3]. *in Europe.*

It is generally agreed that England was somewhat

[1] Charles V. avowedly cultivated an East Indian Trade rather than allow the precious metals to get into the hands of other European monarchs. See below, p. 306.

[2] A careful discussion of various estimates of the quantities of gold and silver obtained from the New World has been given by Humboldt (*Essai politique*, IV. 226). The results of Humboldt's enquiry has been summarised by Jacobs, who places the average annual importation of treasure from 1492—1521 at £52,000, from 1521—1545 at £630,000, and during the rest of the century at £3280,000. To estimate the difference it made in European prices is however a very different matter: the attempt made by Mr Jacobs (*History of the Precious Metals*, cc. XVIII. and XIX.), is not so successful as to deserve special attention. The quantity of coinage in Europe in 1490 is wholly unknown, though Mr Jacobs hazards an approximation; his estimates of the quantity used in manufacture and sent to India are, as he allows, "in the absence of precise data," quite hypothetical; his conclusion that before 1545 the mass of bullion in Europe had increased not quite 50 per cent. on the amount in 1490, and had in 1599 quadrupled is perhaps as good a guess as any other—but not obviously any better. According to Roscher, the quantity of bullion which got into circulation before 1545 was quite inconsiderable.

[3] On the varying rate at which the bullion was diffused through Europe and to different parts of the same country, see T. Cliffe Leslie, *Essays*.

behind other countries in obtaining any considerable share of the spoils of the new world: the foreign wars of Henry VIII. led to the expenditure abroad of the treasure his father had collected; and the long controversy about the divorce strained the commercial relations between England and the Flemish dominions of the Spanish king. Wolsey had incurred the indignation of the commercial classes by his marked preference for a French alliance. All such circumstances must have prevented that free flow of bullion to England, which might have been otherwise counted on, from the long-continued commercial balance in her favour. With the reign of Mary, however, the connexion with Spain was strengthened; and before the long-delayed formal breach with Elizabeth actually occurred, English communications with a great part of Europe had become less vulnerable than they had been before the immigration of Flemish artisans in 1569 rendered trade with the manufacturers of the Netherlands less necessary for English prosperity. During the latter half of the sixteenth century accordingly, the increase of bullion in the country caused a steady rise of prices; while the depreciation of the currency in the last years of Henry VIII., and under Somerset and Northumberland, exaggerated the monetary disturbance, by making the rise of nominal prices much greater than it need have been. The stimulating effects on trade of changes like these will be brought out in discussing the mercantile system[1]: the immediate results and the hardships caused, we may gather from contemporary evidence. But before passing to these matters, we may briefly turn again to the question of the amount of the changes. We have not such accurate data as to the addition of bullion and its consump-

Effects in England

on prices,

can be generally estimated,

[1] See below, p. 308.

tion as to be able to make any precise estimate of the effects of the new importations in altering the value of money, though the diagram in Appendix IV. exhibits the general result with great clearness. It might however be possible to reach some conclusion from the other side, and by following Adam Smith in taking corn as on the average a fair representative of desired commodities, to estimate the amount of change in general prices, from the change in this typical instance: unfortunately we have not sufficient data to make this estimate at all satisfactory. In the third Appendix to Macpherson's *Annals of Commerce* there is an excellent list of prices as incidentally mentioned in various histories and documents: but there are two causes which render it difficult to base any argument on them without a careful analysis of each instance. Many of the prices are mentioned by chroniclers because they were extraordinarily high or low, while what we wish to know is the average price in successive periods; thus in 1401 wheat was sold at 16*s.* the quarter, though the ordinary price about that time was perhaps 4*s.* or 5*s.* Besides this, the means of communication were so imperfect that very different prices might be charged in different parts of the country: we have a quotation in 1390 of 16*s.* 8*d.* at Leicester and of 10*s.* in London. And farther, it has been seen above[1] that corn did not apparently feel the rise of prices so much as other commodities[2]. But while making all these allowances the

but with no precision, even in

the quotations of the price of corn,

[1] See above, p. 258.

[2] This we might certainly expect to be the case: articles of export would get the benefit of the rise of prices in Flanders, and wool would become dearer: imported articles would also be affected by the higher prices in the lands where the stream of silver first flowed. The rise in wool and consequently cloth, would lead to a rise of wages: and corn would be almost the last article to feel the change which was due to the real fall in the value of silver.

state of affairs is still very remarkable. From 1490 to 1510 wheat did not apparently exceed 4*s.* nor oats 2*s.*[1] per quarter: the next entries are all of famine prices, 12*s.* and even £1. But there are several entries in 1550—1560, from which it appears that the usual price was 8*s.*—this be it observed before the reformation of the coinage: in 1592, the statute which regulated the exportation of corn fixed £1 as the limit at which exportation should cease, or as a fairly low price—that is to say the famine price of 1512 was a moderate price in 1590: nor did the steady increase stop with the century. Each decade shows a farther rise of the average; £1. 9*s.* is the lowest Lady-day price mentioned at Windsor for the quarter of nine bushels between 1600 and 1610: £1. 15*s.* is the lowest quotation at the same place between 1610 and 1620, while the average is over £2; and there is again a slight increase in the average price during the next decade. It can be no matter of surprise that Charles I. was constantly in pecuniary difficulties, when every estimate was falsified by this constant rise of prices. If we carried the matter further we should find that the price continued to rise and reached its highest point during the decade from 1640 to 1650, which was marked by the Civil War, while it shewed a tendency to decrease during the succeeding century[2].

Though these facts indicate the course of the change very remarkably, there is a considerable want of precision in the data: we perhaps get the most definite points of comparison between the statutes of 1554, 1592,

[1] If this is an after-harvest quotation it gives no safe means of comparison with the later quotations.

[2] There is an excellent account of these variations in the *Three Tracts on Corn Laws and Corn Trade* (1776), written by Charles Smith.

and 1663, by which the prices at which export might take place were fixed at 6*s.* 8*d.*, 20*s.*, and 40*s.* respectively. Without making allowance for the depreciated state of the currency in 1554, we may say that the price of corn in England increased five or six-fold during the time when silver was flowing so rapidly from the New World.

The alteration of the coinage,

§ 64. In the preceding section constant reference has been made to the existence of a depreciated currency as a disturbing element, which confuses our calculations of the change in the value of the precious metals. The management of the coinage had been long considered one of the royal prerogatives, in many cases the kings had levied a very considerable tax on the use of coins in the form of seigniorage. Edward IV. had taken as much as 10 per cent. in this way. So long as there was an insufficient supply of money in the realm the good and clipped coins circulated together, and there was a constant temptation for the kings to issue coins of about the size of the clipped coins of their predecessor. We thus find the weight of the silver penny diminishing from 20½ grs. troy in 1299 to 20 in 1346, 18 in 1351, and 12 in 1464. Henry VIII. brought it down to 10½ and 10 before the end of his reign, while his son's advisers reduced it to 8. The final change was made by Elizabeth at the end of her reign, and from that time the weight remained at 7¾[1].

by reducing the size of the penny

For most of these changes there was some excuse; but the same can hardly be said of the use of his royal

[1] As the fineness remains the same we may notice that for purposes of rough calculation, the penny before 1300 contained three times the pure silver, that between 1350 and 1460 2½ times the pure silver, and that between 1464 and 1527, 1⅓ times the pure silver at which the penny is rated at the present day. See Diagram I. in Appendix IV.

prerogative made by Henry VIII. in altering the standard of fineness which had been maintained in England from time immemorial. Instead of coining silver, 12 ozs. of which contained 11 ozs. 2 dwt. fine, and 18 dwt. of alloy, he used metal alloyed in the proportions of 10 to 2 (in 1543), 6 to 6 (in 1545), and even 4 to 8 (in 1547). The advisers of his son followed in the same evil paths, and reached the lowest depth of degradation by issuing in 1552 coins of a metal containing 3 ounces fine silver to 9 ounces alloy. They did attempt to take a better course in the last years of his reign, and coins were issued of nearly the ancient fineness; while Mary kept to the same standard (11 fine to 1 oz. alloy); but there was so much debased currency in circulation—English, foreign and more especially Irish—that the new issues produced no good result. They were simply melted down and the fine metal sold for the old depreciated coins which still circulated; or else the new coins were exported by way of exchange. "The bad money drove out the good, but the good money could not drive out the bad." The expedient of calling down the bad money to its true value was adopted by Edward in a proclamation in April 1551; and by this, together with another in August, the value of testoons was reduced from twelve to six pence, and that of groats in the same proportion[1]. But this plan did not answer by itself: in order to force the good money into free circulation it was first necessary to call the bad money in.

and coining silver that was less pure.

Good new coins

driven out by bad.

Difficulty

There were however great difficulties in the way, and nothing speaks more highly for the boldness of Queen Elizabeth than the determination with which she set about this task immediately after coming to the throne. Suggestions exist in her own handwriting as well as in that

[1] Ruding, *Annals*, I. 319, 321.

of the Controller of the Mint[1] as to the best course to be adopted for substituting new coinage for the debased currency which was in circulation.

of estimating the amount of bad coinage,

One difficulty was to discover the actual amount of depreciated currency and consequent cost at which it could be replaced. Calculations on this point appear to have engaged King Edward's Council as early as 1551[2], and Mr Froude gives a curious proposal for analysing the coin received by the butchers—as if for deciding a bet—which, whether acted on or not, illustrates the difficulty that had to be faced. The amount of base coinage was calculated at £1,200,000, which was only worth £800,000; but in all probability the extent of depreciation was not so great as supposed.

of providing for the expense,

A farther difficulty was the expense of the undertaking: the mint, instead of paying its own expenses by a fair seigniorage, or actually yielding a revenue by a heavy one, was to be worked at the Queen's expense, while at the same time the dislocation of prices might affect the crown revenue seriously. Arrangements were however made by Sir Thomas Gresham with Daniel Wolstat, of Antwerp, who undertook the work in consideration of receiving about five per cent. on the value of the reissued coinage: when the contractor had obtained sureties to the amount of £30,000, for his honest behaviour, the work was ready to begin[3].

and of overcoming popular prejudice

But the hardest task of all was to satisfy the people of the advantages of a very unpopular step. To have a debased coinage was bad enough, but it had been called down already in the effort to get rid of it, and prices had

[1] These are mentioned, and in part given by Mr Froude, *History of England*, VII. p. 2 f.

[2] Ruding, I. 322.

[3] J. W. Burgon, *Life of Sir T. Gresham*, I. 354.

promptly risen: to call it down still farther was necessary, and the same result might be apprehended. On September 27th a proclamation was issued calling down the testoons, then rated at sixpence, to fourpence halfpenny, and some of the worst sort still farther, while other coins were called down in the like proportion. For bad money paid into the mint, the Queen promised to give good money, within twenty days, herself bearing the expense of recoinage, but making the people who held sums of the base money bear the loss between its nominal and its real value. In a second proclamation she tried to allay the discontent which this farther interference with prices may have roused, by explaining the evils of a depreciated currency[1]; and she endeavoured, not only by regulations but by the promptness of her action, to exclude any serious rise of prices, or any export of the coinage of the country. Her vigour was rewarded, for the business was accomplished and an unexpected profit of fourteen thousand pounds made in the course of the year: either the quantity of the base money was not so great or its quality not so bad as had been estimated. (But though thus unexpectedly successful, the predicted benefits did not appear to follow from the recoinage, for the steady influx of silver from the new world prevented prices from settling down at their old level.)

successfully met.

Effects on prices

§ 65. The combined effects of the depreciation of the coinage and of the sudden fall in the value of silver were most startling; both brought about a rise of prices, but the two causes acted with very different degrees of rapidity and were followed by effects that differed in kind.

Little more than twenty years elapsed between the first depreciation of the old standard of fineness and its

[1] Quoted at length by Ruding, I. 334.

restoration under Elizabeth; but during that time the rise of prices was most alarming, and to most people inexplicable; on the other hand the fall in the value of silver continued for more than three-quarters of a century, and its effect on prices was so gradual that it was only by looking back over a period of years that men saw clearly that it was steadily going on: a rise of two per cent. per annum would be scarcely noticeable on ordinary retail transactions, and yet this would admit of prices quadrupling within the assigned period. *of these different changes.*

The depreciation of the coinage need not perhaps have produced very serious results if the realm had been entirely isolated from all other lands; at least the effects would not have been sensibly different from those of a fall in the value of silver. In both cases prices all round would rise; in both cases those who were dealers, and could adapt themselves most readily to the change, would be the class who were least affected: debtors of all kinds, and every man in so far as he was indebted, would gain, and those to whom money was due would be worse off; especially would this be the case with those who had regular money incomes derived from land or any other source[1]. The knight in the dialogue already referred to *The effects of coining base metal,*--

[1] "*Knight.* What sorte is that which yee said should have greater losse hereby, than these men had profit?

Doctor. It is all noblemen, gentlemen, or other that live either by a stinted rent or stypend. * * Therefore gentlemen doe study so much the increase of their lands and enhaunsing of their rentes, and to take fearmes and pastures to their own use, as yee see they doe: and all to seeke to maintain their countenances as their predecessors did, and yet they came shorte therein.* * The other sorte be even serving men and men of warre, that having but their olde stinted wages, cannot finde therewith as they might aforetime without ruin or spoile." Stafford, *Brief Conceit* in *Harl. Misc.* IX. 173.

shows most clearly how much his class suffered, and how strong was the temptation for landlords to do their best to crush copyholders and work their land on the most profitable system. Had England been entirely isolated, the Crown also would have gained immediately; indeed it was through the temptation of securing this gain that the whole change was begun[1]. By coining base money the king could discharge his debts of all kinds at a trifling cost to himself: it is true that his receipts from the royal domains and the annual value of the royal income would be diminished in so far as it came from fixed sources: but this was not obvious, perhaps, until it had been demonstrated by sad experience; or it may have been supposed that it would be possible to recoup all such losses from variable sources of revenue.

temporary gain;

the permanent loss to the Crown,

The immediate gain to the Crown was certain, the ultimate loss appeared problematical; but since England was *not* isolated, the ultimate loss was far greater than would have otherwise been the case. Since base coinage was legal tender in England, it became a profitable trade for merchants to manufacture base coin abroad and import it into England in exchange for commodities; no

increased by trade relations with other lands.

[1] Nicolas Oresme speaks strongly against such gain from the point of view of an ecclesiastic in 1363. "In hoc igitur quod ipse (princeps) supra pecuniam recipit incrementum, contra et praeter naturalem ipsius usum, ipsa adquisitio par est ipsi usurae et peior quam usura: eo quod est minus voluntaria vel magis contra voluntatem subditorum, et absque hoc possit eis profiscere, et praeter necessitatem penitus. Et quoniam lucrum fœneratoris non tantum excedit nec ita prejudiciabile generaliter multis, sicut istud quod contra et supra totam communitatem impositum, non minus tyrannice quam dolose ita ut sit mihi dubium, an potius debeat dici violenta praedatio vel actio fraudulenta," *de mutatione monetarum*, c. xv. But mediaeval morality was not highly esteemed by the advisers of Edward VI.

other foreign goods could be so profitably brought into England, and thus all foreign imported commodities rose in price[1]. It appears that at that time the manufacture of arms and ammunition was not carried on in this country to such an extent that the Crown could dispense with foreign supplies; and the munitions for Somerset's unfortunate wars in Scotland were bought at most ruinous terms; so that eventually the Crown was the greatest sufferer by the continued circulation of a depreciated currency.

Loss to consumers of foreign goods, and general rise of prices.

Thus all foreign goods rose in price, but foreign goods had come to be in general demand among all classes of society; and as they did not easily relinquish their habits, each class tried to recoup itself by raising its own demands. The general increase of prices all round which was due to the combined depreciation and fall of value rendered it difficult to see whence the change had started[2]: the common opinion that it was due to the landowners in enclosing may have had this small element of truth in it, that the landowning classes were the chief consumers—after the rich burgesses—of foreign goods, and therefore the people who were under the strongest temptation to recoup themselves at the first opportunity that offered.

The recoinage raised the prices of exports abroad,

The great renovation of the coinage under Elizabeth seems to have had the effect of stopping this importation of base metal. This would both raise the prices of English goods abroad, and allow of the reduction of the prices of imported commodities in England. It was

[1] *Brief Conceite, Harleian Misc.* IX. 172, 181.

[2] Speculators would undoubtedly have a good time of it, as the old laws were out of date; see the curious account of dealings in the corn trade given by Harrison, in Holinshed, p. 342, and compare Becon, *Early Writings*, p. 253.

perhaps at this juncture that the great profitableness of grazing as compared with corn-growing was most strongly felt; with the calling in of the base coin, English goods would for the first time feel the effects of the influx of silver into Europe, which had been going on steadily for the preceding fifteen years[1]. That the graziers were rich all the men of the time agreed, and under the circumstances it cannot be a matter for doubt. This too accounts for the fact which gave so much surprise at the time, that though the coinage was improved, prices did not return to the old figure, but kept at the rate they had reached during the time of the depreciation. This was ascribed[2], and was to some small extent due to the fact that contracts had been made, e.g. rents had been run up, and landlords would not lower them: but the chief cause was that during the period of depreciation the value of silver in Europe had declined: the restored new coins were made of the ancient fineness, but they could not be made of the ancient value. To bring them to this it would have been necessary to make them of greatly increased size; but during the period of alteration there had been a double decline, both in the pureness of metal and size of the coins; and the reissued coins were only of the reduced weight—8 grs.—though of the old fineness. The reduction of weight since 1530, would of itself account for a considerable rise of prices since that time[3].

but general prices did not return to former level.

[1] As the depreciation (1537) had begun before the discovery of Potosi (1545), foreign payments to England would be made in base metal, till 1560; with the regeneration of the coinage foreign payments for English goods would be made in silver, or in foreign goods of the worth at which silver stood abroad. The rise of prices of English exports and chiefly of wool must have been very rapid.

[2] *Briefe Conceite*, in *Harleian Misc.* IX. p. 183.

[3] Indeed for very nearly the whole change till 1581, as Stafford

Industrial effects of the large importation of silver

The permanent effects of the greater plentifulness of silver chiefly arose from the fact that the precious metals are the most convenient commodity for hoarding. All other forms of wealth are much more perishable: corn moulders, and so does any other kind of produce, even if it were not cumbrous from its bulk. When bullion became more plentiful and passed more readily from hand to hand a greater number of people could store up a hoard, and eventually use it as capital in production or trading. Within recent years a great deal of attention has been directed to increasing the effective desire of accumulation among the working classes by giving them opportunities for saving: (it was the opportunity for saving afforded by the influx of bullion that created the English middle classes.) Harrison tells us of the scarcity of silver among farmers in the early part of the sixteenth century: if the poorer copyholders were still in difficulties about obtaining money at its close, the leaseholders were in a position in which they could not only pay large rents, but lay by considerable sums[1].

in the saving of hoards

estimated that those who had £200 formerly would require £300 to live in the same style, and coins diminished in size in the proportion of 12 to 8. *Op. cit.* p. 173.

[1] "They were scarce able to live and paie their rents at their daies, without selling of a cow or a horse, or more, although they paid but foure pounds at the vttermost by the yeare. Such also was their pouertie that if some one od farmer had beene at the alehouse, a thinge greatly used in those daies, amongst six or seven of his neighbours, and there in a brauerie to shew what store he had, did cast down his purse, and therein a noble or six shillings in siluer vnto them (for few such men cared for gold bicause it was not so readie payment, and they were oft inforced to give a penie for the exchange of an angell) it was verie likelie that all the rest could not laie down so much against it; whereas in my time although peradventure foure pounds of old rente be improued to fortie, fiftie, or a hundred pounds, yet will the farmer * * thinke

of a very imperishable commodity

The existence of credit has made such a change in our manner of saving, through banks, instead of in hoards, that we have almost forgotten that a material which we can keep without loss from decay is the first requisite for saving. How strongly this was felt in earlier times we have already seen in discussing the *Libell of English Policye*[1]: we can trace it too in Stafford's constant denunciation of "unthrifty" wares. It is undoubtedly the case that a rise of nominal prices and fall of the value of bullion favours the mercantile classes[2], and gives a stimulus to industrial activity, at the expense of *rentiers* of all kinds: but besides this effect, a special result at that time was the increase of opportunities for saving. The social changes which have been already described gave much more scope for the productive employment of these hoards than had been afforded by the customs of the manors or the regulations of the gilds, and the new facilities for saving encouraged the rapid growth of capital, and of a capitalist class.

to be used as capital;

and consequent increase of wealth,

This, combined with the social changes which have been already noted, opened the way for an extraordinary increase of wealth: the luxury of all classes, which W. S. deplores, and in which Harrison exults, may be taken as a conclusive proof that there had not been the general decline of tillage and industry which was so commonly alleged: the nation continued to prosper. It could also afford an increasing amount of *unproductive con-*

his gaines verie small toward the end of his terme, if he have not six or seuen years rent lieing by him, therewith to purchas a new lease." Harrison's *Description of England* in Holinshed's *Chronicles*, I. p. 317.

[1] See above, p. 235.

[2] See the discussion of this point by W. S. Walker, *Money*, p. 176, also p. 308 below. He compares the opinions of Alison, Hume and others.

sumption,—that is to say of expenditure on wares which were merely used for display, and not employed in actually carrying on work. Bullion might have been stored for future use either by individuals or the queen; foreign cloth or corn might have clad or supported the labourer at his work; but during the reign of Elizabeth there was a universal demand for 'unthrifty wares which were merely ornamental or merely luxurious,' not (in the popular sense of the word) 'useful.' But yet it cannot be said that, despite this unthriftiness the means of producing more wealth were being diminished. By the supply of bullion, it was possible to make more provision for maintaining labour than could be done by the most constant care in reducing unproductive consumption to a minimum: those who were saving silver, could indulge themselves by wearing fine instead of coarse cloth, and use of pewter instead of wooden spoons.

evidenced by unproductive consumption.

We can perhaps see from incidental remarks in Harrison's *Description* that industry was taking more and more of the capitalist form, the complaints which he makes of goods 'commonly made and sold' are exactly those which we hear in the present day, and the defects are generally regarded at present as the results of competition between capitalists. The evils of the small production, where each craftsman had his own stock-in-trade, and where prices were regulated, may have been quite as great or perhaps much greater,—at any rate they were different. We can see that they checked the development of industry and expansion of trade, but the men of the time would not have regarded the latter result as necessarily baneful[1]; and at any rate these

Defects of new régime.

[1] The great anxiety of contemporary writers is not as to the *extent* of trade, but as to the *nature* of the exports and imports respectively. It was thought undesirable that our "thrifty wares"

effects were less obvious to contemporaries than they are to us. Harrison complains that, though artificers were never so clever before, or articles so well finished, goods were unsubstantial and wore badly, and that the wares, hastily put together and made to sell, were "bungled up" by men who had a "barbarous or slavish desire to turn a penny, and by ridding their work to make speedy utterance of their wares[1]." But how strangely had the world moved since the days when the attempted regulation of prices and industry was in full force, and competition was practically unknown, or if known condemned.

should go out of the kingdom in exchange for articles of unproductive consumption. Instances of this feeling have already been noted (pp. 183, 237). There is a curious case which W. S. recounts with commendation, of the bailiff of Carnarvon who would not let the townsmen exchange their goods for the apples that were brought by a French ship (*H. M.* IX. p. 168). In Starkey's *Dialogue* (pp. 80, 93, 155) the import of wine in exchange for substantial raw materials is spoken of as a serious danger which demanded government interference. In the same spirit Malynes asserted that the practice of selling our commodities too cheap, and buying foreign commodities too dear, or "overbalancing of commodities" was causing a decrease of national wealth. See below, p. 312. *Lex Mercatoria* (1622), book I. ch. 5, pp. 45, 48.

[1] Harrison, in Holinshed, I. p. 276.

V.

NATIONAL AMBITION.

I.

MERCANTILE EMPIRICISM.

66. Balance of Power. 67. Power and Treasure. 68. Money and Trade. 69. Patents: their use and abuse. 70. Chartered Companies.

§ 66. FROM the accession of the Tudors we cease to hear of any attempts on the part of English Kings to acquire great continental possessions: not that they were less powerful than their predecessors, nor certainly that they were less ambitious, but because their ambition took a new form. The discovery of the New World had opened up vast realms, in which a footing was much more easily obtained than in any of the Christian kingdoms; and the possession of which would give a considerable accession of power. The English Kings did not however renounce the attempt to obtain a position of great importance within Europe itself, but they hoped to have, not so much great power, as great influence. It might be feasible to exercise a practical sway over the

English policy

affairs of Europe, by holding the balance between rival powers. In internal politics the same discovery has been made; for very small parties are sometimes able to further their ends, through the value of their votes to either side, when parties are of almost equal strength. It was in the sixteenth century that English politicians first realised the importance of their position, as holding the balance between France and Spain. The foreign policy of England took this form during the reign of Henry VIII.,[1] though it is not till the time of Elizabeth that we first meet with the phrase "balance of power," which has since come into such general use, not only in this country, but throughout Europe.

during the rivalry of France and Spain

The successful revival of France during the latter part of the fifteenth century, together with the consolidation of the Spanish Monarchy, and accession of Charles to the Imperial dignity, had given to two ruling houses an importance with which no other monarchs could vie, and they naturally enough competed with each other for a real supremacy in Europe. The credit of grasping the importance to England of this state of affairs, may perhaps be assigned to Wolsey; and to his mind it was a matter of great importance not only for his native land, but for the Roman Church as well. The papal influence was seriously threatened by the overweening power of these rival rulers, and the Pope was hardly strong enough to hold the balance between them: but a close alliance between England and the Papacy would enable the powers thus united to dictate to Europe. All Wolsey's planning for reform,

[1] On the connexion between the commercial and political theories consult Baron v. Heyking's admirable *Geschichte der Handelsbilanztheorie.*

and his eagerness for the granting of the divorce may be connected with this general scheme of policy.

Much of the vacillation about foreign affairs, which was shewn by Henry VIII. and Elizabeth, was due to the same cause. They did not care to take the part, which Cromwell and the extreme party desired, and place themselves at the head of the Protestants of Europe: to have done so, would have been to abdicate their independent position, and to unite the rival Romanist powers in hostility to themselves. While Elizabeth was forced by her weakness to play off her powerful neighbours against each other, King James was inclined, by a sense of the strength of his position, and his gain if he played it successfully, to try the same game. As King of Great Britain he occupied a position which no monarch had held for seven hundred years—if then: his want of determination, and undignified personality, prevented him from carrying out his aims; but his aims were for the most part wise. When the troubles of the Civil War and Military Despotism were at an end, the same balancing course was pursued with utter recklessness by Charles II., though it was now between France and Holland that the rivalry for supremacy—not merely in Europe, but throughout the commercial world—was raging.

was on the whole dictated by a desire

The rival powers were in the balance, and England was, according to Camden[1], the tongue, not a passive tongue that announced the relative position of the powers, but an active member that decided it. Partly from the well-marked nature of its boundaries, and

to hold the balance between them.

[1] "And true it was which one hath written, that France and Spain are as it were the Scales in the Balance of Europe, and England the Tongue or the Holder of the Balance." Camden, *Elizabeth*, p. 223.

partly from the policy of several of its kings, the English people had come to be consolidated into one nation with a much closer union of common sympathy than existed among the various classes in other lands at that time. They had too, a long-continued common history which was a record of the gradual growth of many important institutions, of long-continued wars with France, and of commercial rivalry with the men of the Emperor. These elements had resulted in the development of a National Consciousness, and the desire to be great as a nation,—not the cruder ambition of ruling over many lands, but the loftier aim of so using the resources of Britain, that the English King should be able to sway the affairs of the great continental monarchies, and thus attain to a practical sovereignty of a most extensive character.

National Consciousness of the English

To this changed condition of affairs, the Reformation contributed in no small degree: that struggle marked the rise of nationalities on the continent of Europe. Till then, the various peoples were parts of a united if not harmonious Christendom: their common enemies were in the East; their internal disputes did not greatly differ from the private wars of rival barons, except in the scale on which they were carried on. It is true that the consciousness of a national life had been growing in many lands,—in France under Louis XI. and in Spain with the successes of Ferdinand,—and that the cosmopolitan authority of the Emperor, or of the Pope, was far less effective than it had once been. But it is with the Reformation that there is a real disruption of Christendom: the revolt of the northern nations, and the jealousies of the Romanist powers, rendered a new political grouping inevitable, and favoured the internal consolidation of monarchies which were brought face to face in opposition to each other. The fact

and growth of other nationalities.

that England reasserted her old independence,—while the great continental powers made themselves the champions of the papal assumptions,—contributed not a little to the English antagonism to foreigners and sense of brotherhood, despite their differences, among themselves. Conscious of a common nationality, realising the possibilities of their national position between the rival powers, and ambitious for national glory, the Englishmen of the time set themselves to consider how they might most effectively accomplish these great aims.

Close connexion between Wealth and Power

§ 67. Closely connected with this new national ambition was a desire for the increase of wealth, as a source of power: from the time of Aristotle[1] the connexion between the two had been noted, as well as the dangers of a State where the political power was diffused and the wealth concentrated in a few hands[2]: but the changes that affected the common estimate of wealth and created a general desire of wealth, had rendered wealth more essential for government than in preceding centuries. On the continent, the employment of great armies of mercenaries had come into fashion; and when the obligation of personal service entirely died out, the calls on the royal purse had become heavier. The magnificent pageantry of the fourteenth century was carried

[1] *Politics*, III. c. 9, §§ 4, 5.

[2] The connexion between wealth and authority is the main subject of Harrington's *Oceana*. He maintains that the various kinds of government exist according as one man, as a few, or as many have the balance of wealth (especially of landed property) in their hands: that the relations between a country and each of its dependencies are due to the balance of wealth between the two; and that when the balance of wealth is ignored and e.g. one man governs, while the land is held by many, it is an unnatural and therefore a violent tyranny. In the time of William III. much anxiety was felt about the transference of influence from the landed to the moneyed interest.

on in subsequent reigns, and the diplomatic relations with foreign courts involved large expenses in the form of presents. If we compare the reigns of the first and the last Henry we should say that in the one case treasure was needed for emergencies, while in the other it was constantly required for the ordinary expenses of government.

in any one country,

Under these circumstances no government could be considered strong, either at home or abroad, unless it rested on a broad foundation of wealth. The Tudor dynasty gives us an admirable case in point: Henry VII. so far succeeded in his attacks on the nobility, and in adding to the possessions of the Crown, as to make its authority practically irresistible, and to break down the position of the old families entirely. From similar reasons the distribution of the Church lands in the sixteenth century rendered the Crown less preeminent, but the failure of Charles I. may be largely ascribed to financial embarrassments due to the influx of precious metals. If this was the case within a realm, it was much more strikingly true of the relations of different countries to one another: in any struggle the king with the larger resources was able to hold out longer than his antagonist, and generally to display greater power. From this point of view it came to be a problem of the first importance to render the government rich, so that it might be powerful and influential.

and among different nations.

Wealth and other conditions of power.

It would be a mistake to say that in thus striving for riches the statesmen of the time ignored other elements of strength: especially the necessity of providing conditions for the rearing of a vigorous population was kept prominently in view: and the excellence of shipping as a training school for the English navy was not forgotten. Of these matters we shall have to speak presently: but

at the same time, it was obvious that the kind of wealth which was most generally available for all purposes of government was treasure; and the chief problem for statesmen who wished to maintain the power of a country was how they might increase the treasure in the hands of the government.

Means of procuring riches, and

The *République* of Jean Bodin was one of the most noticeable treatises on statecraft produced in the sixteenth century: it was 'Englished' in the time of James I. In it we find a discussion of the various means by which monarchs might increase their riches. Chief among them was the management of the domain lands, and in Germany in particular this was, till almost the present century, the principal care in regard to finance[1]. The gains obtained by war[2] and the tribute paid by dependencies or allies were also of importance, while benevolences form the third source of income. What strikes us as

[1] J. R. Seeley, *Life of Stein*, I. 48, 143; also Roscher on Cameralistic Science in *Geschichte der Nat. Oek.* I. 219.

[2] That this was not trifling in Elizabeth's time may be seen from the following estimate made by John Evelyn, *Navigation and Commerce, their original and Progress*, p. 74.

"With an handful of these comparatively she defeated the Invincible Armada in LXXXVIII encountered and took Gallions, and other vessels of prodigious strength and bulk. * * * Grotius, speaking of this action [at Cales] tells us that the Wealth gotten there by the Earl of Essex was never anywhere parallel'd with the like Naval Success. * * To these we may number the Trophies won by particular Adventurers: Sir Francis Drake, having with fou Ships onely taken from the Spaniard a Million and 189200 Ducats in one Expedition, Anno 1587, in a single bottom 25,000 Pezos of the most refined Gold? * * John Oxenham * * at the Islands of Pearls 60000 *l.* weight of Massie-Gold, and 200000 in Silver! though lost in his return with it by the perfidy of his Associates: such an Exploit is hardly to be parallel'd in any story."

most peculiar is the recognition of trading as a means of obtaining revenue. Bodin thought it better that this should be done by factors; and Queen Elizabeth not unfrequently had a stake in some of the half-piratical, half-trading, expeditions of her captains, and she was not always successful in her speculations. Receipts from tolls and from taxes are also enumerated by Bodin as the sources of revenue, but they occupy a very subordinate position.

the amassing of bullion

All of these schemes had for their object the actual massing of treasure: prohibitory laws were meant to prevent the precious metals from being carried out of the country. By such means Charles V.[1] had tried to keep in his own hands all the bullion that came from the New World, and thus amass a treasure infinitely greater than that of any other monarch; and other lands followed his example. The rise of prices and decline of industry which accompanied his administration in Spain rendered Charles' measures abortive; and in other lands also it was found that the attempt at direct massing, which was recommended alike by theorists and by practical statesmen during the sixteenth century, was not successful in keeping up the treasure of the country. A much better system was that of so regulating the trade that a balance in bullion might be brought in in its natural course, for if much was sold to foreigners, and few goods imported, then foreign countries would have to pay us for our exported commodities in bullion. This expedient was recommended almost simultaneously by

tried by Charles V.

but other nations began to trust to the balance obtained by trade.

[1] Blanqui, *History*, p. 218. Mun, *England's Treasure* (1664), p. 51. At the end of the seventeenth century, 'the exportation of gold from Spain was punishable by death. Locke, *Considerations on the lowering of interest* (1691), *Works*, IV. 72.

a German, a Spanish, an Italian, and an English[1] writer on trade: it is also implied in the essay of Lord Bacon on seditions, and was the characteristic doctrine of the mercantile system, which was for a century and a half the favourite economic scheme alike of English statesmen and English merchants.

Taxation and revenue

This system could only be generally recommended when the Crown came to rely on the taxation of personal property as a chief source of revenue. Elizabeth had been afraid of applying for aid from her people, and preferred any other expedient for raising money than one which rendered her morally bound to fulfil their expressed wishes. Before her time however it became obvious that the wealth of the subject was the true source for the wealth of the government[2], and that money, which was spread throughout the country generally by the success of traders, was at times of need available for purposes of state. To the much greater dependence of the Stuarts on taxation as a means of supplying government expenses, was directly due the new vigour of parliamentary life which culminated in a practical popular sovereignty. This sweeping constitutional change is however a matter of comparatively little interest from our purely economic point of view: similar ambitions and similar expedients for carrying them out directed the economic policy of England during the whole of the seventeenth century. Seeking for national power, statesmen tried to promote national wealth, but

[1] Antonio Serra of Naples published his book in 1613 (Dühring, *op. cit.* p. 36), and the Spanish minister Ustaritz wrote about the latter part of the sixteenth century. Twiss, *Progress of Political Economy*, p. 51.

[2] Roscher, *Nat. Ock. in Deutschland*, I. 102. Armstrong, *How to reform the realm* (1536), p. 61.

above all for national treasure[1], the chief fountain of which was caused to flow by the balancing of trade.)

Increasing treasure a real stimulus to trade.

§ 68. Treasure was, for political purposes, the most important form of wealth, until financiers began to use credit largely: it is worth while also to notice that the increase in the money of the country, which was due to the importation of precious metals from abroad, was highly beneficial to trade. It was clearly pointed out by Hume[2] that as a matter of fact benefits had accrued, and the true cause was also assigned by him: there is an interval between the increase of silver in a country and the general rise of prices throughout that country: during this time dealers and manufacturers are able to make large profits, and enterprise and speculations are unusually stimulated. But as the flow of silver from the New World had continued for a couple of generations, this unusual stimulus had been steadily applied, and it was not unnatural that those who had felt the benefit of this fall in the value of silver, should desire to see the abundance of money which had stimulated industry maintained. Thus it seemed desirable to increase the money in the country, not only for political but for commercial purposes as well[3].

Commercial importance of bullion

[1] Locke, *Works*, IV. p. 148. "Thus Trade is the Foundation of Wealth and Wealth of Power." D. de Foe, *Plan of English Commerce*, 1728, p. 52.

[2] Essay on Money, *Essays*, I. p. 313. See also above, p. 284.

[3] The commercial and political aim were combined in the mercantile system, but they are so distinct that they are by no means altogether harmonious.

Dealers desired a steady rise of prices: so far as foreign trade was concerned this could only take place continuously, if the quantity of bullion in Europe was constantly increasing: it was while bullion was plentiful in Europe and comparatively scarce in England that the largest trading profits were made. When England got a large

The importance of treasure for the prince, and the stimulating effects on industry and trade of a rise of prices, gave occasion to the use of various phrases which seem to imply a most undue estimation of the utility of the precious metals. They were commonly spoken of as the "nerves and sinews of war," "the vitall spirit of trade, and if the spirits faile needs must the body faint[1]." These phrases may however be fairly considered as only allegorical expressions of the facts that have been noted above. Contemporary writers are perfectly clear on the nature of money: Macchiavelli treats it most clearly[2]:

apparently over-estimated,

but really understood.

share of the newly-discovered silver, and the prices of English exports had risen to a level corresponding to that they had reached before the change, a fresh stimulus to foreign trade could only be given by additional imports of silver from the West to continental countries.

The English statesman wished to have more treasure in his country than other kings had in theirs: but, except in so far as this treasure was hoarded either in his own hands or those of his subjects, his regulations to obtain a steady balance of bullion by trade would raise English prices. This would render it less profitable to export English wares to countries where the prices were comparatively low, and more profitable to import wares from these lands into England: so that exports must decrease and imports increase, and the balance of coin be due by merchants here to their correspondents abroad. It was thus that the very success of the system rendered its continuance impossible, unless the king carefully hoarded the whole balance; for by spending it he would of course put it into circulation, and thus raise prices. One advantage of calculating the balance of trade was supposed to be that the king would thus know how much to hoard—but the Stuarts never managed to do much hoarding.

Any branch of internal trade which was wholly unaffected by a demand from abroad, as for example brewing probably was in those days, would feel a stimulus from a rise of prices in England, even if general prices were higher here than abroad.

[1] Misselden, *Free Trade* (1662), p. 39. See also Malynes, *Centre of Circle of Commerce* (1623), p. 139.

[2] K. Knies on Macchiavelli in (Tubingen) *Zeitschrift fur die gesammte Staatswissenschaft*, 1852, p. 268.

Bacon is equally decided[1], and without pausing to quote special references, the same is true of the whole stream of writers down to Locke[2], whose treatment of the subject became classical: money has a conventional not a natural utility, it will not feed nor sustain us, but owing to the convention of society it has a most important place in any system of industry and trade. The writers of the seventeenth century have received scant justice at the hands of their successors in this respect.

Interest of pamphlets

For the whole commercial system of this period we are able to draw on a field of information which is comparatively fresh to us. Till the end of the sixteenth century we find very little literature that helps us, but an immense number of pamphlets were issued during the seventeenth century on all the questions of the day. In the greater part of these pamphlets the style of discussion is so extremely empirical, that they have far more importance for the history of the facts of English industry and commerce than they can ever attain in the history of the science of Political Economy[3]. The various writers rely chiefly on their own personal experience as merchants, or that of their friends. The 'Stapler' attacks the 'Adventurer,' and the member of the East India Company defends that undertaking against the arguments of the Muscovy Merchant. Empirical remedies for the decay of trade, and direct attacks on rival lines of commerce, form the larger portion of the matter of these tracts; but they give us much light on the state of English commerce, and on the beginnings of the doctrine of the balance of trade.

giving interesting information about the course of trade.

[1] *Essay on Seditions.* [2] *Works*, IV. 62.

[3] Their value in this respect has been discussed by Roscher, *Geschichte d. eng. Volkswirthschaftslehre*, p. 121. It is placed lower, and as it seems to me with justice by Dühring, *Einleitung.*

One of the earliest of these controversies brings out the working of the new ideas on the nature of bullion which have been discussed above. The old school, or *bullionists*, argued that the trade in bullion was an evil, and that the country was drained of its precious metals by the direct action of bankers or dealers in money, whose operations should be authoritatively controlled. They held that the course of trade was governed by the state of prices in different countries; that prices in any land were dependent on the amount of bullion in that country; and that the amount of bullion brought in or out depended on the state of the exchanges as its efficient cause. It followed, according to this strange inversion of cause and effects, that the real way to manage trade wisely, was for government to control the rate of the exchanges; since the exchange of money by bills of exchange was like 'the rudder of the ship,' 'overruling the course of commodities and money[1].' The views of this party are represented by Gerard Malynes. He stated that our silver was as pure, grain for grain, as that in Flanders, but that the purchasing power was obviously much greater here, since a little silver could buy wool "good cheap," which would be sold at a much dearer rate abroad, and that three ounces of silver would buy as much in London as could be got for four in Antwerp. As a consequence of this state of things, bills for £24 in Antwerp were sold for £18 in London; and as it was generally assumed that bullion must, sooner or later, be exported to meet these bills, Malynes maintained that so long as this state of the exchanges continued, a steady drain of the precious metals must be

The mistakes of the Bullionists

A.D. 1622.

[1] Malynes, *Lex Mercatoria* (1622), p. 259.

going on[1]. The remedy he proposed was to 'enhance' the nominal value of our coins[2], so that their purchasing power in this country should not be greater than that of similar coins abroad: merchants would then give more silver for our wool, and our 'thrifty' goods would not go abroad on such easy terms; while the mere dealing in bills would not be more profitable than other trades which had no injurious effects on the treasure of the country.

exposed by the Mercantilists,

The chief error which underlies the whole of this argument is the assumption that the bills of exchange must be eventually discharged in bullion: they were doubtless met by the exportation of value embodied, not in bullion, but in English goods; and, supposing the facts to be correctly stated, it is clear that the natural flow of bullion would take exactly the opposite direction to that which Malynes supposed. Misselden and Mun were writers who saw that this was the case; the arguments of these *mercantilists* shew that merchants will send their money where it has the greatest purchasing power.

A.D. 1622.

[1] Malynes, believing in the *intrinsic-valuableness-of-pure-silver*, as unaffected by time or place, argued that many bankers traded in bills for the sake of the clear profit of £6, which could be got by paying £18 in London to receive £24 in Antwerp. This appears to be a clear gain of 33 per cent., and much more than could be got by industry or commerce. His error lies in not perceiving that the £24-in-Antwerp having no more purchasing power than £18-in-London, were not more *useful*, or better worth having, and that no banker was interested in trading for such visionary gain.

[2] The opinion that enhancing the nominal value of coins would attract more money to the country was long maintained: it was discussed as a current opinion and refuted by Vaughan, *Discourse of Coin and Coinage* (1675), p. 158. The same opinion doubtless weighed with many people in 1696, when Lowndes proposed to enhance the value of our money by making the new money lighter.

If prices are low in England, money will pour in to buy goods, for exportation, largely, as merchants will hope to sell them dearer where higher rates prevail; while the import of goods, bought for much money abroad, and to be sold for little here, will not pay. In this way the importation of bullion for commercial purposes will far exceed any possible exportation of the precious metals by those who have bills to meet. Low prices here and high prices abroad give the most favourable conditions for selling more than we buy, and thus for obtaining a large balance of bullion by the natural course of trade.[1] Believing that a balance of bullion could be thus procured in the ordinary course of commerce, Misselden deemed it unnecessary to interfere with the operations of dealers in bills of exchange, or to prevent the occasional export of bullion when merchants found it necessary; he was in favour of freeing traders from all special restrictions in regard to the conveyance of the precious metals, as he believed that a large *commercial balance* might be obtained by the mere pursuit of foreign trade. There were however many prudent steps of policy that might be taken to conduce with certainty to this result. We might reduce our demand for foreign goods as either by sumptuary laws or by the example of the great, the importation of luxuries might be much checked. As foreign nations could not subsist without wool and cloth, Spain would be compelled to send us bullion to pay for them, if we had only sense to refuse to take such things

who called attention to

the balance obtainable in the natural course of trade:.

[1] Malynes did not deny the existence of a commercial balance, but he did not believe it was so important as to outweigh the inducements which bankers had to purchase bills, which were eventually met by the export of bullion. Quite in the spirit of Edward III. he was for having a public exchange and taking this trade out of private hands. *Centre* (1623), p. 113. *Englands View* (1603), p. 191.

as spices and tobacco in exchange for our goods. But still more might be done by the development of the resources of our own country: by raising more capital and by developing our fisheries[1] the industry of the country might be greatly increased, and the balance of bullion obtained by trade become greater than ever.

The precise steps that were proposed for carrying out this policy practically will be mentioned below: at present we may notice how far the writers who took this view had advanced beyond the standpoint of the older school, that desired to regulate the flow of the precious metals directly, as if it were the cause, and not the effect of the course of international trading. Those who popularised the doctrine of the commercial balance of trade saw that no mere government interference could give a new value to our products; though they did hold that, by the wise husbanding of our resources and directing of our trade, the government might do much to increase the wealth of the country. On these grounds they urged the importance of attending to the state of the balance of trade. To keep a commercial balance in our favour was, according to them, the best means of maintaining the *treasure* of the prince, and the purity of the current coin of the realm. But it was also necessary for the statesman to watch the state of this balance as it served as a *criterion* of the condition of the country: by analogy with the individual craftsman it was argued, that the man who bought more than he sold would soon come to poverty, but that if a man sold more than he bought, that his affairs were in a good condition, and that he was in a

importance of observing it

for political purposes,

as giving a criterion of industry

[1] Misselden, *Circle* (1623), p. 137. All this gives us the links which help us to connect the earlier (pp. 237, 297 note) and later proposals for the management of trade.

position to save money. The analogy was however false: it is undoubtedly the case that a nation which consumes more than it produces is in a bad way, but it is not possible to identify exportation with production or importation with consumption. In many cases imports may be necessaries of life without which production cannot continue: such in the present day is corn: in our day too there has been a great exportation of capital, owned by English subjects but used abroad, and a great importation of the profits on foreign investments: all these things render exportation and importation a most imperfect representation of national production and national consumption. In the seventeenth century however matters were very different: England supplied all the thrifty wares she needed: her exports consisted of a surplus-stock of the necessaries of life: her imports on the other hand were mere luxuries, spices, wines, silks, &c.: if the value of the imports exceeded that of the exports it showed that we were consuming a quantity of mere luxuries that was greater than our surplus stock of necessaries. The balance of trade did as a matter of fact serve as a very rough criterion of the economical condition of the country.

and of the possibility of increasing the royal treasure.

It could also be used as a criterion in another way: that it was desirable for a prince to form a treasure all agreed; but he might accumulate so much or so little treasure as to affect the circulating medium and interfere with prices: according to Mun[1] he ought not to hoard more bullion in one year than the balance of trade showed as due to the country during that year. To keep the balance favourable increased our treasure, and this was the main thing; but to reckon the balance was to obtain a criterion of the general economic condition of

[1] *England's Treasure* (1664), p. 147.

the country, and of the amount of treasure which might be added to the royal hoards without affecting the ordinary market.

§ 69. The discussions in regard to the promotion of industry which were carried on during this period are not uninteresting, but chiefly because they show how much the attention of public men was directed toward the subject. When we consider the steps which were taken by Alfred, by William of Normandy and many succeeding kings to naturalise foreign craftsmen we cannot say that the development of industry had ever been ignored; but it had never before come so markedly forward as a piece of statecraft as it did in the time of Elizabeth and James. The Crown exercised very considerable powers of granting patents for the carrying on of certain industrial operations, and thus interfered with the directions which the energies of the people took. It was argued that such interference was prudent on political or moral grounds: or that the industry was kept in directions which were good for the nation though perhaps not so profitable to individuals as other lines might have been. There can be no doubt that the patents hampered the flow of capital, and that however much they may have favoured the producers of particular articles, that they were injurious to the consumers of these goods. The outcry against patents was accordingly most bitter when they were granted for the production of some article of general consumption[1]:—that this policy did oppress consumers, and as all the inhabitants consume[2], did affect every one

Industry developed

though regulated and hampered

by the granting of Patents.

[1] Malynes distinguishes between monopolies as *reasonable, unreasonable* or *indifferent*, according as the article monopolised is for pleasure, is 'a needful thing for man without which he cannot live civilly,' or is a mere luxury. *Lex Mercatoria*, I. c. 42.

[2] We must at the same time remember that a worker may gain

injuriously, is so clear to us that we find it hard to understand on what grounds the system was ever begun. Nor is it probable that it would have been ever tried if it had not served as a direct means of royal gain; but unless there had been colourable excuses for the practice it could not have continued so long. Elizabeth and James always professed readiness to remedy the abuses of the system, and the alleged evils were generally imputed to the cupidity of persons who had leased the rights of the original patentees.

The right of the Crown

There was, however, a constitutional question as to the right of the Crown to grant patents at all; and it was only with extreme diffidence that the Commons ventured to discuss grievances which arose from Elizabeth's exercise of her Royal Prerogative. Bacon contended that any new statute on the subject would only expound the common law, while the patents were granted by royal discretion in cases where the common law, or statute law needed temporary modification. There was at that time a law against exporting corn, but many circumstances might have arisen—as e.g. the maintenance of an army abroad,—when the export of corn was necessary. In such cases there was no case for repealing the law, but there was a case for temporary suspension. There were other trades that could not be suppressed, but that it seemed desirable to keep well in hand: such were all trades connected with the precious metals,—and the sale of tobacco and keeping of alehouses fell under a similar

A.D. 1597.

and attempted justifications of

more by having his industry protected than he loses by having to pay dearly for what he consumes. A system which raises prices all round—like that in the United States at present—is oppressive to consumers, but is most disadvantageous to those who consume without producing anything, and does little if any injury to those who produce more than they consume.

category in King James's time. But purely economic reasons for the granting of patents were alleged in other cases; a patent was granted for the manufacture of an article to the man who had invented an improvement in the production of it: this was the case with the glass-making patent in the reign of James. Sir Walter Raleigh appears to have contended that since he had obtained a patent for the working of the tin-mines in Cornwall, the conditions of labour had been greatly improved, both as to amount of employment and rate of wages. In so far then as economic reasons were alleged in support of the granting of patents for the monopoly of producing some article, it was argued, that this practice was favourable to the development of some particular and valuable industry—a similar line to that which has been taken by the upholders of protective laws.

the way in which it was exercised.

The constantly recurring complaint in parliament may be taken as disposing of the contention—at any rate in regard to most crafts,—that the granting of the patent had any beneficial influence on trade generally. So far as the encouragement of invention goes, it is clear that the inventor would be sufficiently compensated if he had a monopoly of the process he invented, not a monopoly of the making of the article altogether. To the statesmen of the time, however, it seemed wisest to provide that goods should be produced by the process that appeared best, and they therefore rewarded an inventor not with a patent for his process, but with the monopoly of the article he produced. Of by far the greater part of the patents granted by Elizabeth and James, it might be argued that they were intended to improve the industry of the country: it was during the latter part of Charles's reign that they were obviously granted as means of raising a crown revenue from the fines paid for

them[1]. Elizabeth, had at once given up the patents that roused indignation and in James's time referees had been consulted before the granting of patents about which the chief stir was made. The consideration of the whole matter leads us to see that underlying all the abuses, there was an honest if mistaken attempt on the part of these personal governors to develop the resources of the realm entrusted to them on wise lines. The bad working of the patents affords a demonstration of the failure of personal rule on account of the want of wisdom in its attempts, and not merely an instance of an economic blunder.

The regulation of trade,

§ 70. There was perhaps more justification for the paternal government busying itself about trading. Commerce brought us into contact with distant nations and into competition with near neighbours: it thus had a double bearing on the diplomatic relations of the country to other peoples; and immemorial custom, as well as these obvious considerations, went to justify the Crown in taking an active interest about the matter. Three distinct points were constantly kept in view,—the maintenance of shipping as a defence of the realm, the gaining of a profit in bullion, and the increasing of English influence and power.

as a defence of the realm,

The first of these had attracted attention during the fifteenth century, but it attained to far greater importance during the Tudor reigns: it was the one aim that was consistently pursued by all these princes. However their policy might differ in other respects, Henry of Richmond and his son, Edward and Mary and Elizabeth,

[1] Macpherson, *Annals of Commerce*, for the year 1632, gives an extraordinary list of inventions patented: it includes an instrument for raising the wind when common winds fail, a fish-call for enticing fish into nets, and a hydraulic cabinet for sending people to sleep.

all shewed a great interest in the development of our marine. In later days one of the great arguments alleged in favour of developing the fisheries by English capital was that that employment served as an admirable school for seamen. We shall see more of this when we come to consider the Navigation Act, which was the crowning stroke of this long-continued policy.

and for the successful conduct of business

In regard to the actual conduct of trade, all parties agreed that it ought to be under regulation. For Englishmen to be competing against one another was to cut down the profits of the trade altogether; and the single-handed English dealer was likely to suffer inconvenience and loss at the hands of foreigners. For these reasons the regular merchants were strongly opposed to the 'interlopers,' and maintained that it was by the good government of each trade that profit really accrued: "for want of government in trade openeth up a gap and letteth in all sorts of unskilfull and disorderly persons: and these not only sinke themselves and others with them, but also marre the merchandise of the land both in estimation and goodness, than which there can be nothing in trade more prejudicial to the Publique Utility[1]." Unregulated trade, though spoken of, did not apparently find any advocates worth consideration[2], but the chief difficulty lay in determining how the regulation of trade could be best carried out. The constant and direct interference

[1] E. Misselden, *Free Trade or the meanes to make trade flourish*, (1622) p. 85. Free trade with Misselden does not mean unregulated trade, but trade which should be unfettered by statutory restrictions in regard to the export of bullion.

[2] In his refutation of the view Misselden does not refer to any pamphlet, nor does Mun when arguing in the same direction, *Discourse of Trade* (1621), p. 55, nor Robinson, *Englands Safety in Trades Encrease* (1641), p. 45.

of the State could scarcely be considered desirable even if possible—though Malynes advocated something of the sort,—but the simplest plan seemed to be the formation of companies of merchants to whom the management of each trade was committed by charter, for a definite period. Such companies were the Levant Company, the East-land Company for the Baltic, the East Indian Com- A.D. 1600.
pany which outshone all the others, and the less successful Spanish, French and African Companies. But these *by regulated,*
companies were not all of the same type: some were regulated companies, into which any English subject could obtain admission on understood terms, and the various members of which traded each with his own capital, but in accordance with the regulations of the company: others were joint-stock companies where the *and joint stock companies.*
body traded with a common capital, shares of which might often not be obtainable. A joint-stock company on which special privileges had been conferred and into which new partners could not obtain admission, appeared to many men to be a dangerous monopoly: on the other hand it was said that the fitting out of a great fleet to go on really distant voyages, and the maintenance of a factory which could be defended against hostile nations or angry rivals, were undertakings that could only be carried out on a larger scale than could be attempted by one individual. The dispute as to the advisability of granting charters to companies of this type was embittered by the fact that the East India Company—the leading joint-stock one—had interfered seriously with the profits of the Levant trade, which was conducted by a regulated company: Eastern products were brought by the long sea route instead of being transhipped into English vessels at Smyrna or other factories on the Levant. The East India trade was assailed by Malynes and defended by

Mun[1], and the controversy gives us interesting light on the current commercial ideas. The opponents of the East India Company argued that it brought gains to those private individuals who held its stock, but none to the state—or even a positive loss; the upholders of the East India trade were tolerably successful in refuting this accusation; but less so in showing that the losses of men and ships in the distant voyages was not a serious loss to the nation, or at least a diverting of the stock of the country into a risky employment while other paths were certainly profitable: it was unsatisfactory to argue that such losses fell on the private partners not on the nation as a whole.

Private and National Interest.

It is interesting to notice how both parties agree in regarding individual and public interest in trade affairs as distinct. They are inclined to look at each case of loss or gain as either national or private and to argue which it was, instead of viewing each case of loss or gain in its double relation. Still less are they able to argue on general grounds or to reach any statement—like the *laissez faire* doctrine—as to a general relation between public and private interests. The controversy thus turns so much on matters in regard to which there was a direct conflict as to facts that it is useless to follow it in detail; especially as events have justified the view of those who

[1] *A discourse of Trade from England unto the East Indies*, by T. M., 1621. An earlier passage of arms on the same subject took place when J. R. attacked the Company in his *Trades-Increase* (1615) which was answered by Sir Dudley Digges (*Defence of Trade*), who controverts the alleged facts on which J. R. rested his charge against the Company of sacrificing men, ships and treasure. Misselden in his *Free Trade* (1622) lays great stress on the need of the stock used in the East Indies for more profitable employment, p. 13, though he elsewhere speaks most favourably of this Company. *Circle of Commerce*, 1623, p. 34.

advocated the development of an East India trade. In the time of King James the paper controversy raged, but soon experience seemed to show that both forms of company might be required under different conditions; and events proved that there was room both for the joint-stock trading of the Company which came to rule our largest dependency, and for the regulated 'adventures' of private merchants in shorter voyages to the Mediterranean.

Settlements abroad.

Closely connected with the question of the formation of trading companies, was that of the settlements of Englishmen abroad: some of these have distinctly grown out of mere trading factories, others were planted as means of enriching and increasing the power of the mother country: only in the expectation that they would do so, could an English king have felt himself justified in letting a band of his subjects, who might work for the nation at home or fight against his enemies, settle in a distant region where these personal services would be practically lost to their native land. In the records of the travels of the Elizabethan voyagers this is always the prominent thought—the benefiting the mother country by developing the resources of newly discovered lands. The names of the various colonies in North America mark the later date of their foundation. Virginia was the only one of the present States which had received a body of English settlers before the reign of Charles I.: and it was in a miserably backward condition. If the travellers saw clearly the value of other products than precious metals[1], the royal advisers were so wholly set on procuring gold that they wasted, in the promotion of a Gold-coast trade, energies that might have been more profitably expended on the other side of the Atlantic.

A.D. 1585.

A.D. 1618.

[1] See below, p. 331.

Extension of trade.

At the same time it cannot be doubted that whether, as men then thought, because of the wise regulations of government and the corporations, or as many might now say, in spite of them, English trade increased rapidly during the first four decades of the seventeenth century. Writers in 1640[1], who are by no means optimists as to the future, speak as if trade had been unknown in England till the time of Burleigh and James I. During the distractions of the earlier years of Charles, and under his personal government, it continued to advance: the rise of prices went steadily on and the customs in 1641 are said to have reached the sum of £500,000 as compared with £14,000 in 1590[2]. With such an increased trade and increasing treasure Englishmen awoke to a desire for a commercial supremacy, which should serve as the basis for a world-wide power[3].

[1] See e.g. Sir R. Maddison, *Englands looking in and out*, p. 25.

[2] Captain Lewes Roberts. *The Treasure of Traffick* (1641), p. 86. Compare also Child, *New discourse of Trade* (1690), p. 8. Daniel de Foe's estimate is much smaller: he speaks of the trade having increased twenty-five fold in rather more than a century. *Giving alms*, p. 426.

[3] A very early expression of this ambition is in John Hagthorne's *Englands Exchequer, a discourse of the sea and Navigation* (1625). "The glory and sovereignty at sea hath at this time three competitors, the English, Dutch and Spanish Nations; betweene whome though there were no open hostilitie yet is there a politique secret warre, by striving to undermine and beate each other out of their trades: which may not improperly be called a warre; for the deprivation and cutting off the trades of a kingdom may be to some prince more losse, if his revenues depend thereon, than the killing of his armies. For he that hath coine shall have strangers to fight for him, but he that hath none though peradventure he number many subjects yet in his need hee shall find but few souldiers. These three hold the whole state of things as it were in ballance: and it seem[s] there is some inevitable destiny that these differences should there[by] be decided." p. 7.

II.

Conscious Imitation of the Dutch.

71. Trade Rivalry. 72. The Navigation Act. 73. The Plantations. 74. The Rate of Interest—Credit. 75. The Bank. 76. The Recoinage. 77. The Unemployed and Poor. 78. English Experience.

Desire of mercantile supremacy

§ 71. The period of the Civil War may be taken as marking an epoch in English ambition. It is roughly speaking true that till this time our merchants were struggling to gain a footing and open up trade between England and different quarters of the globe, and endeavouring to prove that the encouragement of trade was for the royal honour and benefit[1]. With the more real popular power in the times succeeding the Great Rebellion, there was a more generally diffused national ambition (the mercantile classes had made their power felt during the war, and their interest coincided with the national ambition of outdoing the Dutch, who would not acknowledge our sovereignty on the sea, and of thus attaining a mercantile supremacy throughout the world.)

and study of the trade policy

It was felt too that if this rivalry was to be successful, we must pursue the same course by which other commercial states had risen to eminence[2]. The pamphlets of the middle and end of the seventeenth century argue more

[1] E. Misselden, *Free Trade* (1622), p. 88.

[2] Raleigh, *Works*, VIII. 351.

from the proved results of certain policy in the cases of Italian cities or of Holland, and not so much from the personal experience of individual merchants as earlier writers had done. It is of course impossible to draw a hard and fast line, but none the less it is true that we find ourselves on the whole on a firmer platform when appeal is made to the more general experience of a people, rather than to the personal knowledge of individuals. This line of argument occurs in many of the pamphlets already quoted[1], or in contemporary ones, but it becomes more marked as the rivalry between England and Holland grows more bitter. The attempt to carry on a spice trade jointly, which was made by the East India Companies of the two nations in 1619, soon proved a failure. The English had been forced to give way for a
A.D. 1623. time after the massacre of Amboyna[2], but the energy with which they pushed their trade in Portuguese India and in Persia shewed that the commercial spirit was not checked. It was however as an asylum for royalist refugees that Holland became chiefly obnoxious under the Commonwealth; and as a nest of republicans that it was hated by Charles II. It was thus that political motives conspired to induce the rulers of the country to engage in a succession of wars with our commercial rivals; and that the quarrels of a Dutch and English trading company in the Spice Islands were taken up by the nations, and fought out till the supremacy of England was fully established.

of Holland. Towards the close of the century we find writers holding up the example of the Dutch, not merely as a means of rivalling them, but as something good in itself. The Whigs and Latitudinarians admired the religious in

[1] E.g. Roberts, *Treasure of Traffick.*

[2] Raynal, *Europeans in the East and West Indies*, I. 304—318.

differentism of Holland[1], and the popular form of its government was attractive. They argued that by following Holland in these respects we might draw to ourselves the refugee craftsmen of other nations, and retain many skilled workmen who would otherwise seek to emigrate. Through all the disputes of the time the desire of undoing Holland by copying her trading regulations, her tariffs, her industry, her bank, her credit system, was universally felt and expressed.

The Navigation Act:

§ 72. The only direct blow which was struck by the English Government at Dutch commerce was the Navigation Act of 1651. Its aim—and an aim in which it was very successful—was to divert as much as possible of the carrying trade of the Dutch into our hands. This, even more than her success in the Indies, had been the envy of English merchants: it had been urged in 1641 that neither our import nor export trade could be profitably developed, but that England was admirably situated for becoming an emporium for all nations and for doing a large carrying trade for the rest of the world[2]. By forbidding the export or import of goods except in English ships or the vessels of nations to which the goods belonged, the carrying trade of the Dutch between English and foreign ports was at once stopped: though there were more than once slight relaxations, the Navigation Act was maintained until the aims of its most sanguine promoters had been more than accomplished. It had besides an important effect on our Western colonies. Barbadoes and Virginia had been royalist in their sympathies; and the intercourse between Holland and Virginia had been found useful to the royalist refugees and

its effects on the Colonies

[1] See especially Child.

[2] H. Robinson, *Englands Safety in Trades Encrease*, pp. 20, 23.

royalist colonists. (The Navigation Act was undoubtedly oppressive to the colonists, but it strengthened the political and commercial ties which bound them to the mother country[1].) The planters complained bitterly of its maintenance, and no one could deny that it injured them pecuniarily, but from the point of view of the time which regarded colonies as dependencies existing for the good of the mother country this was easily answered. "If they were not kept to the Rules of the Act of Navigation, the consequence would be that in a few years the benefit of them would be wholly lost to the Nation. It being agreeable to the policy of the Dutch, Danes, French, Spaniards, Portugals and all Nations in the World to keep their external Provinces and Colonies in a subjection unto and dependency upon their Mother Kingdom: and if they should not do so, the Dutch, who as I have said are Masters of the Field in the Trade, would carry away the greatest of advantage by the plantations, of all the Princes in Christendom, leaving us and others only the trouble of breeding men and sending them abroad to cultivate the Ground, and have bread for their Industry[2]."

and on English consumers.

(It was also recognised that in many cases consumers suffered to the advantage of traders by the existence of an Act which excluded competition.) The defenders of the Act did not deny that this might be the case, but they argued that the maintenance of shipping was of such supreme importance to an Island realm, that a mere pecuniary loss hardly affected the matter at all. We may thus see how closely commercial and political considerations intermingled in the whole matter.

[1] L. von Ranke, *History of England*, III. 68.

[2] Child, *New discourse of Trade* (1690), p. 114.

Besides encouraging the development of English shipping, and transferring a portion of the Dutch carrying trade into our hands, the Act was the fruit of a disposition to carry on an active competition with the Dutch in the Fishing Trades. Even writers who would have willingly sacrificed our East Indian trade to the Dutch, looked on them with extreme jealousy when their fleets came into English waters and carried off the harvest of the sea. One writer after another insists that there is no real reason why we should not conduct this industry as profitably as they did; and several writers eagerly recommend the practice of eating fish during Lent and on the Friday fasts[1], as a means of creating a regular home demand for the commodity, so as to induce capitalists to embark in the trade. To compete directly with the Dutch in foreign markets did not seem a very hopeful prospect on account of their established connexion; but the cod fishery off Newfoundland might be cherished, and we could refrain from dealing with their whalers, so as to encourage our own[2]. *Rivalry in fishing.*

[1] See especially E. Jennings, *Brief discovery of the damages that happen to this realm by disordered and unlawful diet* (1593), and various writers, e.g. H. Robinson, *Englands safety in Trades Encrease*, p. 16.

[2] Some idea of the importance attached to the subject may be gathered from a brief note on the literature. Jennings (v. supra) argues without reference to the Dutch competition, that decline of fishing means a decline of naval power. Considerable practical acquaintance with the trade is shown by Tobias Gentleman in *Englands Way to Win Wealth* (1614). Compare also J. R.'s *Trades Increase* (p. 36 following), though the greater part of the pamphlet is an argument against prosecuting distant trades, especially the East India trade. Other pamphlets are mentioned by E. S. in *Britains Busse* (1615) where there is a full computation of the cost of fitting out ships of the Dutch pattern for the herring trade. Misselden, *Free Trade*, p. 35 (1622), strongly resents the encroachment

Success of the Act.

This Act was almost the only commercial expedient of the time which was not directly borrowed from the Dutch; and the admirers of Dutch policy were taunted with inconsistency in supporting it. They had however no difficulty in showing that the conditions of commerce in Holland gave her merchants such an advantage that they had "no need to build Castles, Fortresses and Places of Retreat; such I account Laws of Limitation and securing of particular trades to the natives of any kingdom[1]." It was however a genuine development of an old English policy, and one which has escaped much of the blame that modern economists have bestowed on earlier legislation, owing to the approval of it expressed by

of strangers on our coast and practical disregard of our sovereignty on the sea. John Hagthorpe, *England's Exchequer*, calls attention to the value of Newfoundland fisheries, p. 31, in a pamphlet which has an interesting discussion of our various plantations, and while deploring the absence of gold, p. 35, advocating American in preference to African settlements, p. 36. The whole case is well summed up by H. Robinson, *Trades Encrease Englands safety*, p. 13, and mention is made of the matter in nearly every commercial treatise. C. Reynel, *The true English Interest*, 1674, argues for the granting of bounties on fishing; but the complaints of Dutch competition in English waters are much less frequent after the middle of the century, and in 1694 Sir J. Child mentions the red-herring trade of Yarmouth and the cod-fishing of Newfoundland as two employments in which the Dutch could not hold their own against us, *New discourse of trade*, Preface (1690): it was different with the Greenland trade, which was still entirely in their hands, p. 52. The old complaints of the Dutch—with whom however the French are coupled—are reiterated by J. Gander, *Vindication of a national fishery* (1699), who adopts this curious motto:

England's a Perfect World
't has Indies two:
Correct your maps: the
Fishery is Peru.

[1] Josiah Child, *New Discourse of Trade*, p. 113.

Adam Smith[1]: (At the same time it was contended that, while the Act protected English shipping, it rendered it more difficult for English merchants to compete in neutral markets[2].) England gained, not because her protective policy enabled her to compete with the Dutch, but because she had power to force the Dutch out of certain important markets, and was indifferent to the loss to the colonists so long as the mother country was enriched.

Voyages in Elizabeth's time,

§ 73. Closely connected with this bitter feeling towards the Dutch for the success of their shipping was a jealousy of the success of their factories abroad, and the state of our settlements was another subject which attracted serious attention. Although many important discoveries had been made, and reckless adventure attempted by English sailors during the time of Elizabeth, it is hardly possible to regard them as having done more than open the way for trade. The accounts which the voyagers give of their own travels show that they were quite alive to the value of a fertile soil and natural productions other than the precious metals[3]; and the first founders of our earliest colony—that of Virginia—were at any rate under no misapprehension as to the kinds of wealth which would be most useful in a new settlement[4].

[1] *Wealth of Nations*, II. 252, 444.

[2] *Britannia Languens* (1680), pp. 52, and 65. The author urges the repeal of the act in order to break the monopoly of merchants, which restrained the free vent of English manufactures.

[3] Adam Smith's assertion to the contrary in the *Wealth of Nations*, II. 398 is disproved so far as English voyagers are concerned by Roscher, *Zur Geschichte der Eng. Volkswirthschaftslehre*, p. 22. Sir Walter Raleigh's Guiana expedition is a doubtful exception, as he does not deny the worth of other commodities in laying stress on the advantage of possessing a gold mine.

[4] The objection was urged but readily answered. "But what are

The suggestions for colonisation which are contained in Bacon's *Essay on Plantations* are admirable[1], where the writer shows great judgment in his compressed remarks on the physical conditions, and on the manage-

those riches where we heare of no Gold nor Silver, and see more impoverished here than thence enriched, and for Mines we heare of none but iron? Iron mindes! Iron age of the world! who gave Gold or Silver the monopoly of wealth, or made them the Almighty's favourites? Precious perils, speecious punishments whose originall is neerest hell. * * Penurious mindes! Is there no riches but Gold Mines? * * But let us consult the wisest Counsellour. *Canaan*, *Abraham's* promise, *Israel's* inheritance, type of heaven and joy of the earth! What were her riches? Were they not the Grapes of *Eshcol*, the balme of *Gilead*, the Cedary neighbourhood of *Libanus*, the pastury vale of *Jericho*, the dewes of heaven, fertility of soile, temper of climat, the flowing (not with Golden Sands, but) with Milke and Honey (necessaries, and pleasures of life, not bottomeless gulfes of lust), the commodious scituation for two seas and other things like (in how many inferior?) to this of *Virginia*. * * That then is the richest land which can feede most men, Man being a mortall God, the best part of the best earth, and visible end of the visible World. What remarkable Gold or Silver Mines hath *France*, *Belgia*, *Lumbardig*, or other the richest peeces of *Europe?* * * The *Spaniards* old Mynes made them the servaunts of *Rome* and *Carthage:* and what their Mynes and mindes doe now I leave to others. * * Neither let any thinke that I pleade against the sourness of the grapes like the fox which could not reach them: but I seriously shew that they are calves and not men, which adore the Golden Calfe, or *Nabuchadnezzars* great golden statute, as if the *body* were not *more than raiment*, and those thinges to be preferred to money, for whose sake mony (the creature of Man; base Idolatry where the Creator worships his Creature!) was first ordained and still hath both use and being." *Virginias Vergin* in Purchas's *Pilgrims*, IV. p. 1814.

[1] With reference to the point noted above we may quote: "But moile not too much under Grounde; For the Hope of Mines is very uncertain and useth to make the Planters lazie in other Things." Iron however is excepted, since it "is a brave commodity where wood aboundeth."

ment of the colonists and natives. The success which attended the plantations in Virginia and Newfoundland, as well as the trading from the Bermudas, led to the suggestion of colonising the coast of North America on a larger scale, and sending out 20,000 of our surplus population every year, beside those who might volunteer to go. It was admitted that no gold was to be found there; but the promoters argued that the character of the climate and soil made it much more suitable for English emigrants than the gold coast of Africa[1], towards which others turned longing eyes. The colony of the Puritans in New England was the next considerable attempt, closely followed by the Romanist Lord Baltimore's settlement in Maryland, where a religious toleration was permitted which would have been inconsistent with the purity of the rigorous congregationalist discipline in the north; but the events of the Civil War led to a considerable increase in the number of royalist, and latterly of republican, refugees who sought an asylum in the New World. The growth of these colonies by the emigration of some of our population, at the same time that the ravages of the Great Plague had carried off so many of our people, led politicians to look on the plantations with something of jealousy.

and settlements in America,

which were regarded with some jealousy,

It had always been assumed that the colonies would aggrandise the mother country by giving new scope for the employment of her citizens and by opening up new avenues of trade: it became obvious however that Spain had not profited greatly by extending her dominion over wide areas of territory, and it appeared that colonies might be a real source of weakness. They might tempt

[1] John Hagthorpe, *Englands Exchequer or a discourse of Sea and Navigation, with some things thereto coincident Concerning Plantations* (1625), p. 36.

away our population so that our industry decayed, and trade for their own profit, without enriching the mother country: for this reason merchants urged that we should plant colonies which might be centres of general trade, rather than occupy territories that would eventually compete with us, as the North American colonies already competed with English merchants in supplying the West Indian planters[1]. But despite these notes of dissatisfaction the king was strongly convinced of the advantages of increasing our colonial empire; and during the reign of Charles II. we obtained a long unbroken line of North American coast with the renewed settlement in Carolina and the Quaker colony in Pennsylvania; the precise relations of these colonies to the Crown were various, but their trading and commercial interests were very similar, though of course the native products of the north and south were by no means the same. The Navigation Act had interfered with their development, and the treatment they continued to receive was all planned in the same spirit of subordinating their interests to those of the mother country. The favourite means suggested by contemporary authors for making the plantations more profitable to the kingdom were the passing of laws—1. To prevent (as much as conveniently may be) the Product of either to be transported from the place of its growth to any other place save England. 2. To prevent its being imported hither after manufactured there. 3. To prevent (as much as may be with Conveniency) the exporting hence any simple thing in order to be manufactured there, such as Iron, Leather, &c., which 'twere better for this kingdom were first wrought up

but approved by Charles II.,

and their interests

were subordinate to those of England,

[1] C. Reynel, *The true English Interest* (1674). Similar objections are fairly stated and well answered by J. Child, *New Discourse of Trade* (1690), p. 178.

here. 4. In lieu of all to lay open the African trade, that the Inhabitants may be supplied with Negroes on easier terms. These are general rules, but not without some exceptions; for "when I say the commodities of one plantation should not be carried to another, I mean those only which are fit for trade and may be brought hither, and be hence disperst again, as Sugars, Cotton, Indigoe, Tobacco, Ginger, and such like: but for Provisions, Timber, Horses, and things of like nature, they may and ought to be permitted, because this nation cannot so conveniently supply them hence[1]."

as was the case with Ireland,

Precisely similar principles governed English policy in dealing with Ireland. The attempts at doing something for that island which had been made by Elizabeth and the first Stuarts, especially during the administration of Strafford, were upset by the rebellion of 1641, and the terrible chastisement inflicted by Cromwell and Ireton: nor had the country well begun to recover before the conflicts between James II. and William of Orange threw the whole into disorder and ruin. Under these circumstances it was astonishing that the trade of Ireland so far developed as to excite the jealousy of English merchants. The importation of Irish cattle into England had been prohibited[2] lest it should injure English graziers; but this led to the complaint that foreigners victualled their ships more cheaply in Ireland than English merchants could at home[3]. Others demanded a modification of the Navigation Act so as to exclude Ireland from its benefits, while others pointed out that the woollen manufactures

[1] J. Cary, *An Essay on the State of England in its relation to trade* (Bristoll, 1695), p. 71. The suggestion about opening the slave trade was a generous one from a Bristol man.

[2] 18 Car. II. c. 2.

[3] *Britannia Languens*, 1680, p. 5.

were making rapid progress and that England was being undersold in her own staple trade. To English minds it seemed enough if Ireland continued to devote her attention to husbandry[1], or at most to cultivate the flax and linen trade which had never been naturalised to the same extent as the woollen in England.

and Scotland. A.D. 1698.

The same sort of commercial jealousy influenced English statesmen in their attitude towards the Scotch scheme for colonising the isthmus of Darien[2]. That there was a danger of exciting the anger of Spain, and of thus being dragged into a quarrel on behalf of the sister kingdom, was undoubtedly true: but it was not less true that the jealousy of the English parliament was aroused at the sight of an important trading expedition undertaken by another people. The combined causes led to that regulation in accordance with which the English colonies held aloof from the Scotch settlers during their endeavours to establish themselves, and which brought about their humiliating failure.

§ 74. The most obvious difference between Dutch and English commercial affairs was the marked disparity in the rates at which money could be borrowed in the two countries. The rate of interest allowed by law in England at the time was 8 per cent, and it was generally speaking impossible to borrow on easier terms. The fact that one of the greatest merchant houses could get money at 4 per cent. was regarded as a very remarkable proof of its stability. In Holland, on the other hand, it was possible to borrow at 3 per cent. or even less, and additional capital could be easily obtained either for new speculations or for developing new trades and improving

Rate of interest

[1] Cary, *Essay on Trade*, p. 91. J. P., *A discourse of Trade and Coyn* (1700), p. 89.

[2] Ranke, v. 220.

estates: it seemed that the whole activity of Dutch and comparative stagnation of English industry—despite our immense natural superiority—was due to the high rate of interest here. *in the two countries.*

This was a theme which came into prominence as the discussion about fisheries began to languish, and the pamphlets which deal with it are very instructive, as they bear witness to the gradual growth of a better understanding as to the nature of interest, and the causes on which a high rate depended.

Although there was still some difficulty among conscientious men about the lawfulness of taking interest at all, a sound opinion on the subject was being formed. *Lawfulness of taking interest.* "But certainly if it be but free to argue it the precept or command of Date mutuum nihil inde sperantes being interpreted according to the aforesaid definition might not onely seeme somewhat repugnant unto reason but unto Scripture it selfe. Deut. xxiii. 20. Extraneo isti dabis in usuram, fratri autem tuone; for if Usurie were absolutely unlawful as murther, adulterie, &c. God would not have permitted it to Wards, Aliens, or Strangers: then in regard there may be an occasion for borrowing as in a rich man that cannot be said to doe it for need; for which cause I am not bound to lend him, but because he sees certaintie of profit, and rather than I will be his hindrance of such a profit, me thinks I find myselfe in a manner obliged to lend him what I could, and intended otherwise to imploy myselfe, not without good hopes of benefit; and may not I in this case of certaine profit to my neighbour in borrowing and certain dammage (for the imploying it is always valued at somwhat to my selfe by lending take interest for my money, and so he get more by borrowing, and I by lending?[1]" The fact that there

[1] H. Robinson, *Trades Encrease Englands Safety*, p. 41.

was a field for productive investment is put forward as justifying the lender in charging interest; but there is no real understanding of a connexion between the power of production of capital and the rate of interest. The latter is spoken of as a sort of arbitrary compensation to the man who having money was in a manner obliged to do a good turn to a friend.

Proposals for state regulation of interest.

If the rate of interest were such an arbitrary thing as this, there is no reason why it should not be fixed by convention—or by statute—at whatever rate seemed desirable, and was the view of several pamphleteers. The maximum rate allowed had stood at 10 per cent. till 1624, when it was lowered to 8 per cent.; in 1651 it was reduced again to 6 per cent.; and in both cases experience seemed to show that the reduction had been beneficial, and that it might be carried further with equally good results. A vigorous statement of the arguments in favour of these changes was published by Sir Thomas Culpeper[1] in 1623. He apparently holds the opinion which was explicitly maintained by Sir Josiah Child[2], that the low rate of interest was the *causa causans* to which all the other advantages possessed by the Dutch in shipping and industry were due. This writer gives many interesting illustrations of English progress since 1624, but is not successful in demonstrating against his opponent that these were the effects of a low rate of interest[3].

[1] *A small treatise against Usury*, reprinted by Child in his *New Discourse of Trade*, p. 217.

[2] *New Discourse of Trade.* So too J. Cary, *An essay on the state of England in relation to its trade* (Bristoll, 1695), p. 31.

[3] The author of *Interest of money mistaken* appears to have realised that 'riches were the cause rather than effect of low interest,' and feared that a farther legal limitation of the rate of interest would render it impossible for any but the most wealthy merchants to borrow at all. Child, *New Discourse*, pp. 37, 42. It is strange

Much more practical were the suggestions of those who tried to implant on our shores the mechanism by which money was lent among the Dutch and other nations. They saw that, for various reasons, security was far greater in Holland than here, and they felt that if the risk of lending were diminished, the rate at which money could be obtained would be immediately reduced. An extraordinary acquaintance with the undeveloped resources of various parts of England is shown by Andrew Yarranton, who greatly regretted the difficulty of borrowing on landed security, owing to the confused state of titles to real estate. By the simple expedient of framing a public register, from consulting which full proof could be obtained of the owner's title and the terms on which the land was held, he believed that landowners throughout the kingdom would be put in an infinitely better position for borrowing, so as to be able to improve their lands, and establish remunerative industries. All sorts of business might be conducted on the credit of such landed securities as easily, and much more safely, than with cash. One reason of the great uncertainty of titles of which he complains—so that a landed gentleman with £1,000 a-year in England, had far greater difficulty in borrowing £4,000 than one with £100 a-year in Holland—was owing to the changes of the Civil War[1], and the difficulties it introduced. Yarranton held very

Facilities for borrowing money for productive purposes:

A.D. 1677.

that while refuting a forgotten pamphlet Child should have in his second edition (1694) paid no attention to the statement of the view he opposed which had been already published by John Locke, and which has become a classical utterance on the subject. *Some considerations of the lowering of interest* (1691). *Works*, Vol. IV.

[1] It is not a little remarkable how very little these distractions are mentioned by commercial writers: they are scarcely ever alluded to as having been prejudicial, except as regards the East India Company.

clear views on the suitability of different districts for the localisation of different industries[1], and on the precise steps that should be taken for developing each employment in each of several counties — all through the security for easy borrowing afforded by a public register.

and for saving;

Another project which was mooted many years before 1641, was that of starting a bank for deposits on government security; this would serve as the great cash-keeper of the realm, and instead of hoarding their wealth, citizens would deposit it, where it could be used for public advantage[2]. The trade of private banking, which was chiefly conducted by goldsmiths whose strong rooms were the safest place for depositing a hoard, was apparently conducted very recklessly and finds little favour among any of the writers of the day[3]: but many citizens might have been glad to take advantage of a deposit bank which was guaranteed by the House of Commons—the honour of the King was less valued as a commercial security in the time of the Long Parliament[4].

[1] *Englands Improvement by Sea and Land*, p. 49 (1677): "Any manufacture fixed in any place, where it may be better accommodated thither it will go, and so remove from the place where it was first set up: and the discouragements it received there, many times keep it from fixing any where else."

[2] Robinson, *Trades Encrease Englands Safety*, p. 34.

[3] See especially Yarranton, *Englands Improvement by Sea and Land* (1677), p. 17. But the complaint against bankers is endorsed by Malynes, Robinson, Child, and in fact generally.

[4] Charles, by seizing of the bullion in the Tower—even though the owners were not permanently losers, had done much to shake royal credit. McLeod, *Theory and Practice of Banking*, I. p. 369. For loans contracted in 1641 the House of Commons was responsible, and the king in order to enable the Commons to perform this service, resigned his power of dissolving it into the hands of that Parliament. Ranke, *History of England*, II. 267.

For humbler classes of borrowers other suggestions were made; municipal pawn-shops where loans of sums up to forty shillings were made at the rate of 10 per cent. per annum, would be an improvement on those then in vogue, where private dealers extorted 30 per cent., or even 100 per cent. These were suggested by the Italian *montes pietatis*[1]: but the idea of public granaries where the staple food of the people should be stored, so as to combine the advantages of savings banks and a paper currency for rural districts[2], seems less feasible, though it was said to have worked well in Brunswick and Saxony. A.D. 1677. Diverse as these expedients are, they all have the common aims of promoting the accumulation of Capital, and aiding in its ready transference to those quarters where it could be most easily employed. As Yarranton constantly argues, by 'writing from their copy' we might 'defeat the Dutch without fighting,' though he doubted our ability to do it by active opposition. *as well as for obtaining loans on easy terms.*

§ 75. Such new developments of banking, and improvement of the terms on which temporary loans could be obtained, would obviously not only be beneficial to private enterprise, but to the government of the country as well. The ability of a small country like Holland to bear the strain of long-continued wars, had been one of the most obvious proofs of its wealth; and many men were anxious that the English people should have similar facilities in carrying on their affairs of state. This was all the more important as under the Commonwealth raising temporary loans had come to be part of the ordinary financial practice of the realm. Money was always needed to tide over the interval between the voting of supplies and the actual payment of the sums *Borrowing by the Government*

[1] Robinson, *Trades Encrease*, p. 45.

[2] Yarranton, *Englands Improvement*, pp. 114 ff.

from the Goldsmiths had become a system,

granted; for funds to meet their immediate necessities the government had recourse to the goldsmiths. The goldsmiths paid 6 per cent. to those whose cash they held, and counted on making a small profit. The royal debts to them were secured by the assignment of particular branches of revenue, or of the first money that came in under parliamentary votes; and reliance on the royal honour in meeting these engagements was the real foundation on which these transactions were based[1]. To Parliament they appeared obnoxious as lessening the direct dependence of the Crown on grants from the people[2], and resolutions were subsequently passed against them; but nothing could so effectually have discredited the system as the step taken by Charles II., when in 1672 he suspended[3] for a time the repayments out of the Exchequer to the goldsmiths, who had rendered the government such frequent service. The difficulties of subsequent reigns—especially of the government immediately after the revolution—were immensely increased by his dishonesty. None of them found themselves in a position to pay the interest of 6 per cent. which had been promised to the goldsmiths—and for which they were in turn responsible to their depositors—and they certainly could not attempt to repay the principal sum. The initial disgrace was increased by the way in which the Crown contested the moral rights of the goldsmiths till 1700, when the government was forced to give in so far as to treat with creditors, who were never fully reimbursed, but whose claims formed the nucleus of the national debt[4].

which was abused by Charles II.

A.D. 1672.

A.D. 1700.

[1] McLeod, *Theory and Practice of Banking*, I. 369.

[2] *Royal Treasury of England*, 1725, p. 318.

[3] W. M. Christie, *Life of Earl of Shaftesbury*, II. 56.

[4] McLeod, *op. cit.* I. 374.

When successive governments had thus disparaged their own trustworthiness, there was little reason for surprise that William and Mary had considerable difficulty in obtaining any advances. Several expedients were proposed; that of raising money on the strength of a government promise to pay annuities to the subscribers, for a stated number of years, was tried in 1690; A.D. 1690. and that of raising money by subscription on the strength of a government promise to pay a perpetual annuity was mooted, but not attempted, in 1691. Only in 1694, *Perpetual annuities* when special privileges were accorded to the subscribers as well as the promise of annual payments in perpetuity, was the scheme successfully floated, and the Bank of England founded.

The relief which it gave to the government was immediate, and it introduced a new principle into finance. Instead of raising loans by mortgaging particular branches of revenue, pawning their jewels [1], or granting annuities for a time, the government raised money on the faith of the future progress of the country. *On the faith of future progress.* Hitherto each king had practically been dependent on what he could raise within the year, for the expenses of that year—the heavy burden of interest made it desirable to meet emergencies, so far as possible, as they arose. To do so had indeed been increasingly difficult with the wider ambition of the Stuart Kings, and the civil disputes which occurred during the seventeenth century. Even in spite of the large increase of customs these rulers were forced to demand frequent subsidies, and it was only by the strictest economy that Charles I. was able to carry on the government during the peaceful years of his personal rule: the outbreak of the Scottish rebellion put a strain A.D. 1640.

[1] Especially Henry V. *Royal Treasury*, 147.

on his finances which he was unable to meet. The financial history of the Civil War is a subject of great interest[1], but the numerous expedients adopted on either side were of too temporary a character to justify a digres-
A. D. 1660. sion here. It may suffice to say that Charles II. came to the throne at a time when considerable arrears were due to the army, and when industry and trade must still have been suffering from the miseries of war and military government; large sums were raised by a graduated poll-tax as had been done in other emergencies, for the disbanding of the army, and subsidies were granted for the purpose; ordinary revenue was however raised from indirect taxation; the Post Office was the one new institution introduced under Charles II., though legal authority was obtained for the excise duties.

Pressure and

The burden of taxation was great, and the question of its incidence was one of considerable interest. The direct taxation or subsidies were assessed according to counties, and it was said that the midland and home counties bore a most unfair proportion of that taxation[2]; but an attempt was made to render the assessment fairer when in 1660 Charles accepted £100,000 per annum—the value of a subsidy as commonly estimated—from this source in lieu of the revenue that had accrued from the courts of Wards and Liveries. It was a further complaint that the smaller land-holders were assessed at rates that were out of all proportion to the comparatively

[1] Interesting details are given by an anonymous author, in *The Royal Treasury of England.*

[2] This was either due to the real poverty of these counties in early times or to the imperfect hold which the Long Parliament had upon them, so that it assessed the taxes in proportion to its own ability to collect them. Davenant, *Essay on Ways and Means* (1695) p. 64.

trifling payments of men who had large estates in several counties[1].

The incidence of the indirect taxation was scarcely discussed with reference to the classes on whom it ultimately fell[2], but was none the less a matter of importance, because it was by the wise imposition of rates on different commodities that government could affect the balance of trade. It was soon seen that any course which proved an obstacle to 'trades enlargement' would have a permanent effect in reducing revenue; and that 'a little custom upon a great trade is equivalent to a great custom upon a little trade.' "Special care ought to be had therein by lightening our native commodities which will cause greater exportation, and charging it on the foraine which will hinder their importation, and yet they too selectively not all alike; and here it is worth remembering that a great part of foraine commodities brought for England are taken in barter of ours, and we should not have vented ours in so great quantity without taking theirs, for wee must not expect to bring away all their moneys, and our commoditis not much more necessary to them than theirs to us; but Cotton wools, Grograine yarne, Gold and Silver thrid or Wire, raw Silke and such others which with us are employed in sundry Fabrickes and Manufactures setting our poore people a work should be lightly charged especially for such a quantity of those manufactures as are again exported: but Sattins, Taffeties, Velvets, and such others as have their full workmanship abroad should bee well charged, which hindring them to be brought in such abundance, would employ our owne people in

incidence of taxation.

[1] *Considerations touching trade* (1641), p. 12.

[2] Locke however argues that all burdens ultimately fell on the landowner. *Works*, IV. 55.

making the same sorts at home, but this must be done with caution, and by degrees insensibly, lest it be countermined. * * Provisions on victualls especially corne, Butter, Cheese, which are the poore mans food, who hardly advances more than will cloath and feed him at ordinary rates should be free of all such charges[1]." It was useless to put very heavy rates on jewels and goods which could be smuggled, but wine and tobacco might be heavily charged as unnecessary articles of consumption. On the other hand at the time of the A.D. 1695. struggle with France, Davenant[2] urges the imposition of duties on the necessaries of life, as the surest way to raise a large revenue to which all citizens should be constantly contributing — nor did he seem to think the burden would be so oppressive as in other forms of taxation if the execution of the Assize of Bread and Beer was seen to, so that the middleman did not oppress the poor.

Importance of this financial expedient

It would apparently have been a matter of the greatest difficulty for William III. to have carried out his policy of opposition to Louis XIV. so successfully as he did, if he had had no other means than these for meeting the terrible strain. By the creation of perpetual annuities he obtained the immediate command of resources, and was able to transmit the burden not only of repaying the loan, but of paying for the loan, to future generations. That such a burdening of posterity may be perfectly justifiable at a crisis in national history is clear, for all future generations of Englishmen benefit by the successful issue of such a struggle: it is equally clear that this financial expedient may give reckless princes—or reckless

[1] Robinson, *Trades Encrease* (1641), p. 8.

[2] *Essay on Ways and Means* (1695), p. 120.

corporations—a dangerous power of spending what other generations will have to repay.

This was seen by men at the time and the policy of obtaining loans was condemned by many sensible writers: in the eighteenth century the steady growth of the debt was observed with constant alarm: to discuss how far this policy has been necessary or has been justified by events is to enter on a speculation which does not concern us here: but a purely economical objection was urged against the course. It was said that so much money was diverted by these government loans from less profitable but more productive employment in industry or trade that the future of the country would be seriously affected[1]. This might perhaps have proved a well-founded objection, for the government spent the money unproductively, and not in public works; but the privileges for banking which were given to the subscribers for the first perpetual annuities gave an impetus to commerce and the formation of capital, that did far more than make up for any loss that was sustained by the diversion of productive capital to the carrying on of the continental war. *and its possible dangers.*

§ 76. The establishment of a great corporation to carry on a business for which, during the preceding fifty years, there had been a felt need was a most happy expedient, and the body thus founded at once obtained great public confidence. The requisite £1,200,000 were subscribed within ten days, and a corporation which was assured by parliament of an annual income of £100,000 was recognised as a wealthy body which would be able to meet the engagements into which it entered. As a consequence people were ready to entrust their cash to its keeping, and the Bank of England at once came to *The Bank of England,* A.D. 1694.

[1] Davenant, *Essay on Ways and Means*, p. 42.

be preferred to the shops of the goldsmiths as a place for deposits, while the terms on which the new corporation took charge of savings were more favourable than those to which the public were accustomed. So far it fulfilled the functions of a bank as sketched by Robinson[1]. But a much more important point was this: just because the public had confidence in the Bank, they were willing to accept the promises of the Bank, expressed on paper, as if they were actual wealth: they felt sure that the Bank had funds to give silver for its paper at any time, and therefore the notes, or paper promises of the Bank, circulated as readily as silver had done. Owing to public confidence the Bank was able to make advances, not in cash, but in promises-to-pay,—and we have an institution which traded in credit: it could make loans, not only out of the actual cash deposited in its coffers, but loans of paper promises, to the extent of its anticipated wealth from the interest due from government and the interest due from customers, while always reserving a cash balance with which to keep the business going.

by dealing in the forms of its credit

The Bank, by being in a position to give loans on easy terms did an immense deal to develop the credit system of the country: all the advantages which Child had foreseen from a lowered rate of interest followed the founding of a society which could lend on easier terms: we may date the credit system of the country from this time, though strictly speaking it rather marks an immense extension of practices that were already in use. Merchants had long been in the habit of procuring advances on the expectation of successful adventures: landowners had borrowed on the expectation of increasing their wealth by sinking capital in their estates: they had got

was able to give loans on easy terms.

[1] See above, p. 341.

wealth to use, on the faith of wealth they expected to have at some future time. It was because of their expected wealth that the goldsmiths had confidence in them—or to put it in another way that they had *credit* with the goldsmiths: they could thus anticipate the future, and by means of loans got their expected wealth for immediate use. It is rarely the case now that A has an unused hoard, while B sees possibilities of gain of which he cannot avail himself for want of funds. B's well-grounded anticipations—his credit—will enable him to obtain the use of A's hoard and thus realise his anticipations: the effect on the country at large is precisely similar to an enormous increase of capital, if a credit-system be developed, for none of the capital need be idle, but all can be employed in those quarters where there is the greatest probability of a large gain. But though the effect is similar we cannot identify credit and capital, a man's credit with the public is a means by which he gets the loan of other people's hoards to use as his own capital. On the other hand when a man's written promises,—bills, cheques or other forms of credit—are accepted and circulated they may certainly be spoken of as wealth, since they are useful and scarce, and as money since they circulate as the representatives of other kinds of wealth. This however we must always remember, the forms of credit are much more perishable than other kinds of wealth, since their worth is destroyed by the failure of the anticipations on the strength of which they were issued: if a man's actual wealth at a given time turns out to be less than people anticipated it would be he is unable to justify the confidence which the public placed in him as a man of business, and his bills are depreciated or worthless.

Credit, compared with capital, and with money.

Within a few months of its starting, the Bank of En-

The Bank's credit

gland had to undergo a severe ordeal: a manufacturer or merchant who trades in goods but adds to his means of trading by his credit, may retrieve a temporary suspension, but a bank which trades in the forms-of-its-credit, can hardly hope to do so: if its bills or notes are discredited the thing in which it deals is rendered worthless. The difficulties of the Bank were due to a conspiracy on the part of its rivals—the goldsmiths—who took advantage of the confusion caused by a re-coinage which had again become necessary. In the seventeenth century silver was the standard money—gold coinage being a convenient form of wealth, but not determining prices or the rates of exchanges with other countries. Although a good deal of new milled money was issued every year, the old hammered money which was badly clipped continued in circulation, while the new money was melted down or exported; so that any sum of money paid by tale only weighed a half or two-thirds of what it ought to have done. The effects were somewhat similar to those in Edward VI's reign, though at that time the coinage was debased, while at the end of the seventeenth century it was fine but very light. Various proposals for regulating the coinage were mooted; the recent experience of Holland[1] confirmed the arguments with which Sir Thomas Rowe had prevailed on the privy council in 1641, not to depreciate the coinage: and this step was never seriously thought of. But an equally unsatisfactory suggestion was made by Mr William Lowndes[2], whose position as Secretary to the Treasury gave weight to the design he advocated, of calling up the coin so that each light coin should have a higher denomination. The futility of this plan was fully

and the goldsmith's 'corner'.

A.D. 1696.

Various proposals for

[1] Locke, *Works*, IV. p. 95.

[2] *An essay for the amendment of the silver coins* (1695).

exposed by Locke who answered Lowndes in detail[1]. He had previously discussed the general objections to the scheme[2] and shewed that creditors and landlords would be defrauded, that uncertainty would be introduced into all dealings, that the royal revenue would suffer and that owing to the rise of prices which would necessarily take place, the general public would be in no way benefited by the change. These wiser counsels prevailed, with the result that in 1696 the business of recoining at the old standard was undertaken. Though the loss was not now borne by the holders of coin, but by the State[3], an institution like the Bank of England which had large monetary transactions was forced for a time to accept light money and pay in the new milled coin and was thus reduced to serious straits, which became a crisis when the old money was all called in and but small quantities of the

the recoinage A.D. 1696.

[1] *Further considerations concerning raising the value of money. Works*, IV. p. 131.

[2] *Considerations of the lowering of interest*, &c. *Works*, IV. p. 86. The side of Lowndes was supported by N. Barbon, *A discourse concerning coining the new money lighter* (1696), who argued that money took its worth—not from the intrinsic value of metal—but from the authority of the state, which added to the worth of the bullion by stamping it and rendering it current. His distinction between virtue and value, and whole doctrine of value is very clear. p. 6. He holds the value of money is due to the fact that it is authoritatively made current—like an inconvertible currency—and regards the increasing danger of large issues by counterfeiters as the limit to the power of the state to render coinage current. Barbon was very far from desiring to attract bullion to the country by raising the denomination of the coins, as he was one of the earliest expounders of the fallacies of the balance of trade.

[3] Walker, *Money*, 214. The estimated loss was calculated at £1,500,000. J. Cary, *Essay on the State of England in relation to its trade* (1695), p. 34. He advocates very similar steps to those actually taken.

new had been issued[1]. The project of starting a Land Bank had also seriously affected the older corporation, and the Directors were obliged to refuse to cash notes which were maliciously presented by the goldsmiths with the obvious design of ruining the Bank. They were not however successful in meeting the bona fide demands of creditors; their notes were depreciated and it was only by the assistance of parliament, which conferred additional privileges on the corporation, that they were able to raise additional capital and thus resume the position they had had at first.

The success of the Bank led to the formation of many rival schemes: the Land Bank of 1695 was never successfully floated: the first attempt at a Joint Stock Bank with no parliamentary sanction was put down; but the Bank had still to contend with the jealousy of Sir Francis Child and the other goldsmiths, and later with the rivalry of the South Sea Company. This was a trading and banking company which undertook the floating debt of the state in 1717, in return for 6 per cent. interest and certain trading rights. The value of these had been grossly exaggerated; the scheme was ill-advised and resulted in terrible disaster when the anticipations of the promoters failed to be realised. That there was room for additional banking facilities cannot be doubted, and an interesting account of the lines which were practically unworked is given by Daniel de Foe[2].

The South Sea Company.

[1] A brilliant description of the state of affairs is given by Macaulay, *History of England*, IV. 696. Further details are furnished by McLeod, *Theory and Practice of Banking*, I. 402.

[2] *Essay on Projects* (1697), p. 45. He thought all the business might be done by a bank with a capital of £5,000,000. Loans on account of customs, on pledges, on land at 4 per cent., bill discounting, and foreign and inland exchanges might be undertaken by such a bank.

But the existence of the Bank and the new proof which it gave of the power of credit led to the formation of joint-stock companies for all sorts of purposes: among the most important were the London Assurance and Royal Exchange Assurance, to which corporations was granted a monopoly of marine insurance[1]. As a result of the mania for floating companies the business of stock-broking came to demand and repay attention. As might have been expected an extraordinary crop of bubble companies soon saw the light. "There are and that too many fair pretences of fine Discoveries, new Inventions, Engines and I know not what, which being advanced in Notion and talk'd up to great things to be performed, when such and such Sums of Money shall be advanced, and such and such engines are made, have rais'd the fancies of Credulous People to such a height, that merely on the shadow of Expectation they have form'd Companies, chose Committees, appointed Officers, Shares and Books, rais'd great stocks, and cri'd up an empty notion to that degree, that people have been betrayed to part for their money in a New-Nothing, and when the Inventors have carried on the Jest till they have sold all their own interest, they leave the Cloud to vanish of itself and the poor

Joint Stock Companies. A.D. 1720.

[1] Martin, *History of Lloyds*, 90. The recklessness of private underwriters served as a colourable excuse for giving a monopoly which was really granted by the crown in return for a promised payment of £600,000. Elizabeth had tried to regulate this business by a Court of Insurance, which was however of little use (*Ibid.* p. 34). The feeling against usury had long hindered the development of marine insurance, except in the form of loans on *bottomry:* in this case the insurer became a real partner in the adventure, and as he was not secured against the total loss of the sum advanced, he was not a usurer even though he received from the shipper a larger sum than he had provided. This was recognised in the old maritime codes. See Malynes, *Lex Merc.* 122.

Purchasers to Quarrel with one another. * * * If I should name Linnen Manufactures, Saltpeter Works, Copper Mines, Diving Engines, Dipping and the like for instances of this I should I believe do no wrong to Truth, or to some persons too visibly guilty[1]." At the same time it must not be forgotten that it was just because of the real success of other ventures, made on similar principles, that these frauds could succeed: their existence shows that there was a rapid extension of trade conducted wisely and well. Insurance Business, Friendly Societies, and all sorts of really beneficial movements, some of which had proved successful abroad, were being promoted at the same time. In regard to many of them there was great difficulty, from inexperience and the entire want of the data which were necessary for carrying on such a business as that e.g. of managing widows' funds, or life insurances, though the necessary statistics were being gradually collected.

§ 77. While such schemes were ripening for rendering capital more generally available[2],—and thus reaping similar benefits to those which accrued to the Dutch from their low rate of interest,—attention was also aroused to the contrast between the thrift and industry of populations abroad[3], and the large numbers of idle paupers and vagrants who were found in our country. We have already seen how pressing this question appeared in the sixteenth century; it is just possible that the rapid

Unemployed labourers.

[1] D. de Foe, *Essay upon several Projects* (1697), pp. 11—13.

[2] Another important desideratum which may be alluded to here was the establishment of less expensive and more speedy means of settling disputes between traders. The establishment of a Court Merchant similar to the Dutch ones is constantly advocated in the various works that have been quoted.

[3] John Graunt, *Natural and Political Observations* (1662), p. 36.

increase of trade before the Civil War did something to provide additional employment for the population, though the constant complaints continue; but the social disturbances due to the political struggle must have worked in the opposite direction, and the legislature was once more forced to interfere in the reign of Charles II. Contemporary pamphleteers ascribe the increase of pauperism partly to the inherent laziness of the population, and partly to the introduction of labour saving contrivances[1], which diminished the field for employment.

No fund available for setting them to work.

The weakest point of the final statute of Elizabeth had been that while it contemplated the setting able-bodied paupers to work, it did not make any proper provision for this purpose: surplus funds from the rates levied for the maintenance of the impotent might be thus used, but where no surplus came to hand nothing could be done in this direction[2]. The chief difficulty felt was really the want of available capital. Misselden[3] would gladly have seen a stock for this purpose raised by voluntary subscription in London; he calculated that £10,000 were given annually in promiscuous charity, and that if thus applied the money would do far more to relieve want. Others would have detained the poor, supporting themselves in such charity workhouses, till there were opportunities for sending them to the plantations[4] where their work would be better bestowed. The opening up the country by deepening rivers[5] or making

[1] Such as stage coaches (*Grand concern of England, Harleian Miscellany*, VIII. 524) or knitting frames (D. de Foe, *Giving Alms*, 438, 439).

[2] See above, p. 264.

[3] *Circle of Commerce*, p. 137.

[4] H. Robinson, *Trades Encrease*, pp. 13, 43.

[5] Yarranton, *England's Improvement*, p. 64.

better roads[1], or draining the fens[2], was another favourite plan for providing useful work; and the advocates of developing our fisheries claimed to have suggested a solution of the difficulty.

Industrial Schools.

One great difficulty in the way of many of these schemes was that the paupers were unable to work at the trades which could be most easily set a going. With a view of remedying this it was proposed that spinning-schools should be everywhere established. The German schools were held up as models. "Upon the benches sit about two hundred children spinning, and in the Box in the middle of the room sits the Grand Mistress with a long white wand in her hand. If she observes any of them idle she reaches them a tap. * * And I believe this way of ordering the young women in Germany is one great cause that the German Women have so little of the twit twat[3]." Besides the linen manufacture, the iron trade was one which seemed capable of great development.

Had capital to start such industries been suddenly forthcoming, the superfluous labour of the country might have flowed into directions where it would be available; but since this was not the case, the spontaneous move-

[1] D. de Foe, *Essay on Projects* (1697), p. 75.

[2] This scheme was perhaps more obviously than any of the others, suggested by the example of the people of Holland. Proposals were made in Parliament, in 1597, though little appears to have been done till 1631. Compare W. Dodson, *Designe for the perfect draining of the great level of the Fens* (1665). Also C. Vermüden, *A discourse touching the draining of the Great Fennes* (1642). See below, p. 400.

[3] Yarranton, *England's Improvement*, p. 45. It is curious to find an early advocate for industrial schools attributing the increase of pauperism to the diffusion of learning among the poor by free schools. J. P., *Of Trade* (1700), p. 47.

ments of the vagrant class gave rise to much difficulty. *Vagrancy.* The legislature tried to prevent vagrants from flooding particular parishes, and to render the burden of supporting the poor more equal in different parts of the country. But these measures, which were eminently necessary, had an unsuspected effect in checking the flow of labour to those districts where it could be most usefully employed. As aliens could never become chargeable to the rates, the restrictions which hampered the English labourer or artisan, in seeking for employment, did not operate in the case of Scotch or Irish immigrants.

It had always been recognised that those who were born, or who had, for some not very clearly defined time, lived in a parish were to be supported out of its rates if they became impotent; and each parish was careful to guard itself against receiving people who might possibly come sooner or later to require support from the rates. Active men had been in the habit of procuring testimonials from the parishes from which they hailed, to prove that they were not mere idle vagrants. By defining the time of inhabiting—forty days—which gave a man a settlement, and thus a prospective right to come upon the rates, and by providing for the division of very large districts, the Act arranged for a more vigorous administration. Each parish received powers to remove a possible burden from its own shoulders, and men who could give no security that they would not become chargeable, were sure to be removed by the authorities of any locality they entered before they had resided for the six weeks which gave them a settlement. This led to the disuse of the practice of hiring for long periods[1], which had been universal till that time; and when other

The Act of Settlement, A. D. 1662.

[1] Adam Smith, *Wealth of Nations*, Bk. I. chap. 10.

means of procuring a settlement—by apprenticeship or by marriage—came to be recognised[1], there was a disposition in many parishes to discourage the rising generation from entering into such relationships; in other cases those who had friends in a distant parish were unwilling, by procuring a new settlement, to break off with their old district, and were very reluctant to marry, when they could well afford it, and were perhaps morally bound to do so. In these ways the Acts of Settlement led to a general loosening of long recognised social ties[2]. They had been intended to enable parishes to defend themselves against an invasion of idle poor[3]; but that of Charles operated so as to prevent the industrious artisan from taking advantage of opportunities which offered of bettering his position. The inconvenience of insisting on such rigidity in social arrangements was soon felt, and an exception had to be made in 1692 in favour of soldiers or of artisans in the employment of the crown[4]; while a system of certificates was introduced a few years later which gave greater facilities for the reception of labourers or artisans in districts where they could find employment, without their obtaining a settlement even after continuing to inhabit in this new parish for

and its effects.

[1] 3 and 4 W. and M. c. 11.

[2] Alcock, *Defects of the Poor Laws* (1752), p. 19. *Britannia Languens* (1680), p. 155.

[3] Whereas, by reason of some defects in the law, poore people are not restrained from going from one Parish to another, and therefore doe endeavor to settle themselves in those Parishes where there is the best Stocke, the largest Commons or Wastes to build Cottages, and the most Woods for them to burn and destroy, and when they have consumed it then to another Parish. and att last become rogues and vagabonds to the great discouragement of Parishes to provide Stocks where it is lyable to be devoured by Strangers. 14 Car. II. c. 12.

[4] 3 and 4 W. and M. c. 11.

years[1]. But the most important relaxation was that made in 1797, when it was enacted that the removal of a poor person to the parish which was bound to support should only take place when he was actually and not merely prospectively in need of help[2].

Providing employment

But after all, these enactments were not capable of curing the difficulties connected with the poor: they had reference to the distribution of the poor over the country, but the real problem was as to finding them employment. There was plenty of natural material to work upon, and plenty of labour to work; the difficulty was that of finding the means of supporting these people during their labour, and thus setting their industry agoing. For this all sorts of plans were proposed: some were for establishing workhouses where vagrants should be compelled to labour[3]; others proposed to provide a stock of materials so that the poor might be set to work at their own homes[4]; some wished each parish to make this sort of arrangement for its own poor, while others proposed to unite all the parishes in one town, or in one hundred, and get them to act together in the matter. The first practical experiment which was carried out was the workhouse at Bristol[5], and this achieved such an extraordinary success in reducing the rates, and carrying on a profitable business, that one town after another followed the ex-

In workhouses, A. D. 1695.

[1] 8 and 9 W. III. c. 30.

[2] 35 George III. c. 101.

[3] *Staneleye's remedy*, quoted by Eden, *History of the Poor*, I. 165.

[4] Firmin, *Proposals for the Employment of the Poor* (1678). It was reprinted by Mr Gilbart in 1787, along with several other tracts on similar subjects, as *A Collection of Pamphlets*.

[5] 7 and 8 Wm. III. Private Acts, c. 32. Workhouses are mentioned before, as at Exeter, 18 and 19 Car. II. c. 9, but they appear to have been intended for the detention of poor persons accused of felony and awaiting trial.

ample, until workhouses were established generally throughout the country.

which were at first self-supporting.

So long as domestic industries continued, and until the factory system was introduced, these workhouses were tolerably successful, but they were deficient in some elements of permanent success. The country had commenced by settling labourers in certain districts, and had then attempted to provide capital for the employment of labour in these places. The better course, from a purely economic standpoint, would have been to apply capital in those districts where it would prove most remunerative, and to permit the free flow of labour to places where capital was being applied[1]. The Act of Settlement had disastrous social results, but it also acted as a check on the specialisation of industry, and consequent development of the resources of the country.

Estimates of the strength of the country

§ 78. While these various expedients for improving the condition of the country were under discussion, there was an increasing desire to look back on our own history and judge more accurately what the condition of the country had been and actually was. We have seen above that the amount of bullion in the country was commonly regarded as an important source of strength; but along with this it had been always recognised that a large population was also necessary. The jealousy of enclosures in the time of the Tudors had disclosed this feeling, and the doubt as to the value of plantations was due to a similar view. Both for recruiting the army, and for keeping up the industry of the country, a large population was needed; and the earliest essays in statistics were

[1] Graunt (*Nat. and Pol. Observations* (1662), p. 37), saw the danger of underselling the industrious poor by furnishing capital, at parochial expense, for the vagrants; but the best statement of the evils will be found in D. de Foe's *Giving Alms no Charity* (1704), p. 442.

directed to an examination of the numbers and power of increase among the people of this country.

The special occasion which drew the attention of John Graunt, a London citizen, to this enquiry, was the Great Plague, and the ravages it caused. There had been plagues in 1603, 1625 and 1662; and from the earliest of these dates deaths had been registered, and their causes roughly classified, in London. The only data of births were furnished by the registers of baptisms, which served roughly, till the triumph of Puritanism in 1648 brought about such neglect of Christian ordinances that a marked disparity between deaths and baptisms began to appear[1]. Conclusions as to the country population could only be reached by assuming that a particular parish in Hampshire was fairly typical of the other 10,000 parishes. Inaccurate as these data must have been, they went to show that the population of England was increasing; and that though London was increasing with extreme rapidity, its growth was not injuring the rest of the country. This was an important practical result, as both in the time of Elizabeth and Charles I. attempts had been made to limit the size of the metropolis, partly on grounds of health—and that it was more unhealthy than the country Graunt's figures shewed—partly on account of the danger of riots from a disorderly mob, and partly because of the difficulty of supplying such a huge city with provisions and water[2]. It would have been a serious hindrance to our competition with Holland, if an arbitrary attack on the

from statistics of the population

which are very rough.

[1] Before that date baptisms about equalled the deaths every year: in that year they were about two-thirds of the number, and yet the increase of building rendered it obvious that the population was not declining. Graunt, p. 43.

[2] Robinson, *Trades Encrease*, p. 5.

metropolis, and the granting of special immunities and privileges to provincial towns, had interfered to prevent trade from localising itself at the best point. A similar enquiry regarding population, from more extensive data was undertaken by Sir William Petty in 1682. He came to the conclusion that London doubled in 40 years, and the whole population in 360; he prophesied that London would reach its greatest possible limit in 1800; but he generally confined himself to arguing on the actual state of the country, and his conclusions were of much greater value than the more speculative opinions of his contemporaries [1].

Estimates of the amount of the treasure

A much greater amount of attention than that bestowed on the population was devoted to the question whether our treasure was increasing or not; the continental wars since the Restoration had rendered the state of the treasury a matter of the first importance, as it was necessary to support an army, and more especially a navy; and thus it not only interested those who felt bitterly against Holland, but those who dreaded the rising power of France. The success of Louis XIV. was such that it seemed impossible for any European combination even to prevent him from acquiring an universal empire; and not only was there the political danger which arose from this preponderance to be feared, but the growth of the industry
A. D. 1665. and commerce of France under the régime of Colbert had been as startling as that of Holland at the beginning of
founded on the state of the balance of trade, the century. It was a matter of eager enquiry from year to year whether England was holding her own against these rivals—and this, it seemed, could be best determined by investigating the state of the balance of trade. The Custom-house returns gave data from which fairly ac-

[1] *Several Essays in Political Arithmetic*, p. 20.

curate conclusions could be drawn, though the amount of smuggling and the frauds of the revenue collectors introduced some elements of uncertainty. Farther than this, the more accurate returns from the Mint were used to show how much bullion had been coined, and both returns seemed to prove that the treasure of the country was decreasing, and that we were losing by the balance of trade[1]. But though this opinion was widely diffused, and many remedies were suggested, it rested on a misapprehension. The careful and accurate observations of Petty went to show that the very opposite was the case[2]: the rate of interest had fallen even without the intervention of the laws, while at the same time the expenditure of most classes had increased, and this sufficiently proved that the country was richer. Of the increase of our shipping there could be no doubt, and that the population was also growing he had proved from figures. He believed too that there was more probability of the trade of England developing than that of France[3]. Holland[4] had already shown signs of losing ground. To contemporaries he seemed too much of an optimist, but events have shown that his judgment was sound. By rivalling the Dutch in energy in shipping and in founding new settlements abroad, and by imitating the facilities they possessed for amassing and applying capital, England had so far developed her natural advantages as to be ahead of Holland in the race for wealth, and therefore had come to be her decided superior in power.

A. D. 1682. *and of the issues from the Mint, were proved to be misleading.*

[1] See especially Fortrey, and *Britannia Languens*.

[2] Petty's *Pol. Arithmetic*, p. 256.

[3] *Ibid.* 220.

[4] Temple, *Observations upon the United Provinces*. Works I. 80.

III.

The Refutation of the Mercantile System.

79. The balance of trade no criterion of industry. 80. State regulation *v.* demand as determining the direction of industry. 81. Nationalism and Cosmopolitanism. 82. Summary.

Advance in industrial resources,—skill,

§ 79. The introduction of greater facilities for the use of credit marks a time when the economic system of the country had reached a high state of development. If we glance back to the earliest condition in which we have found our ancestors existing, we are struck with the enormous strides that had been made. There had been immense advances in human *skill:* even in warfare and pasturing cattle—the sole arts of nomadic life—enormous changes had taken place. The improvements in the one lie beyond our sphere, the improvements in the other—especially in Tudor times—had made England the great centre of the wool and clothing trades. All the arts of tillage, with the various improvements from extensive culture to intensive, to the threefold system, and to a convertible husbandry had come into being. The changes from the simple skill required in making chattels for domestic use, to the multifarious employments in which men were trained to do honest work under the gild régime must have been still more striking; and when we come to such matters as skill in navigation, energy in opening up new tracts of country and avenues of

trade, we find no corresponding side in the ancient life of wandering nomads with which a comparison can be made. All these various forms of skill were a great national possession, acquired by the experience of centuries, and applied and improved by each generation as it passed the inheritance to its successors.

But still more striking was the difference that was due to the increased display of *forethought;* not only a care for the future in tending and maintaining a flock or herd, but that involved in sowing for a winter's crop; forethought too in the improvement of land, by manuring, enclosing and draining; in providing a stock of tools and materials for carrying on different industries; in the building of merchant ships and fishing boats. Very great had been the effect of the conduct of those who stored wealth in confidence that some employment would present itself for the employment of their capital: but most marked of all was the forethought which could count upon the results of future production with such confidence as to anticipate them as means of production and facilities of exchange. The stores of wealth in the hands of different capitalists, and the resources at their command in consequence of their credit, gave the most palpable proof of the economic progress that had been made by the English people. *and Forethought.*

There certainly were at the opening of the eighteenth century great economic capabilities; and just because they were so great, it became a matter of intense interest to see how they could be best used for the good of the whole nation. Just because capital and the power of credit were in private hands, there was a danger that they might be selfishly used by individuals for their private good and not for the advantage of the community as a whole. That this conflict between private and public *Conflict of public and private interest,*

taken for granted.

interest existed had always been taken for granted. Edward III. had no doubt of it when he legislated with the view of maintaining reasonable prices for producers, and for the consuming public, and to decrease the gains of middlemen; the towns had no doubt of it when they committed the regulation of different crafts to the good men of that craft, who were to put down bad work and surreptitious gains; the land reformers of the sixteenth century had no doubt of it when they agitated against the evils of landlordism; the House of Commons had no doubt of it when they protested against the evils that came from the granting of patents; and thus it might be taken as a generally recognised fact, "whereby it may appear how necessary it is that the public profit should be in a single power to direct, whose interest is only the benefit of the whole."[1]

National Treasure

So long as the amassing of treasure in the country was the chief means of maintaining power and of stimulating trade, there could be no doubt that the national interest lay in obtaining a balance of bullion year by

[1] S. Fortrey, *England's Interest and Improvement*, p. 4. A passage from Davenant is also worth quoting in illustration of this view. From Mr Gregory King's calculations, "it seems more to the National Interest of England to imploy its Land to the Breeding and Feeding of Cattle than to the produce of Corn. * * 'Tis true in these Matters Men are apt to follow what they think their particular Profit, but the Influence of good Laws would go a great way towards inclining them more to pursue what is for the General Advantage: and indeed the private Concerns of Men should be always made subservient to the Public Interest. Nor is force at all needful to bring this about; for Men in most of their Measures, where the Administration is wise and steady may be induc'd to pursue the common welfare by directive Laws, by Examples from the Prince and the great Ones, and by some few not very expensive Encouragements." *An Essay on the probable means of making a people gainers in the Balance of Trade*, 1700, p. 59.

year. But as the nation realised the power which it possessed of meeting emergencies by drawing on the future, and became habituated to a national debt, the amassing a treasure was no longer a necessary piece of statecraft. (The interest of the nation did not lie so much in the procuring of that kind of wealth which could be most easily treasured, but in developing its industry and commerce so that it might be able to bear the burden of interest and if possible pay off the principal of its debts.) In the eighteenth century we still have constant attention paid to the balance of trade; but appeal is no longer made to it, as shewing the state of the Royal Treasury, but as furnishing a criterion of the general industry of the country. In this way the doctrine of the balance of trade continued to dominate over almost all the writers, and all the legislation of the first half of the century. We still have the State trying to promote the good of England, regardless of her dependencies, and in antagonism to other states; we still have systematic interference with the direction of trade and industry, but we enter on a new phase of the Mercantile System. All this is undertaken, not so much with the view of immediately affecting the power of England by the balance of bullion amassed, as of obtaining great gains not only for individual traders, but for the nation as a whole: whether the regulations for promoting industry were successful in this aspect or needed amendment might, it was thought, be learned from the state of the nation's balance.

of less importance.

The balance as a criterion

of the state of national trade.

Only after the time of Adam Smith was this policy really overthrown, but there is great interest in tracing the steps by which its foundations were gradually sapped. Undoubtedly the chief factor in destroying it was the bad result of even the best intended legislation, just as the

Practical results

of the growth of opinion.

system of granting patents had been condemned by its results; but the spread of opinions which tended to discredit the attempt to regulate the course of trade, contributed in some degree to the introduction of new industrial and commercial conditions. The growth of opinion prepared the way for our giant industry and world-wide commerce, and must be at least briefly touched upon here.

Consumption and production A.D. 1680.

The belief that the balance of trade afforded a good index to the industry of the country rested on the opinion that we might identify our products with our exports and our imports with our consumption. This is clearly marked in a book entitled *Britannia Languens*, where the author constantly speaks of our "consumptive importations[1]." The analogy with an individual householder who consumed more than he produced by his earnings was constantly kept in view: as it is obvious that such a man would come to poverty unless he either increased his earnings or diminished his expenditure, so it is true that a nation which consumed more than it produced would come to poverty also; it was however a mistake to suppose that imports so far tallied with consumption, and exports with products, that by balancing the two we could judge of our industri condition[2]. This error was clearly exposed by Nicholas Barbon, who wrote as follows: "By Traffick and Com-

identified with importation and exportation,

[1] *Britannia Languens*, Section 12.

[2] Under this view of the importance of rightly adjusting the balance of trade there is of course less temptation to overstate the importance of gold and silver. Davenant writes "Gold and Silver are indeed the measures of trade, but the Spring and Original of it in all countries is the Natural or Artificial Prod of the Country, that is to say, what their Land, or what t Labour and Industry produces." *Discourses on the Public Reven and on the Trade of England*, Part II. 1698, p. 15.

merce the Merchant Owners of Ships and Sailers grow rich, by being paid for carrying away the Surplus of what is improved more than can be used in the Country, and exchanging for something that's useful which that country could not produce." * * "It is not material what sort of Foreign Wares the Surplus is Exchang'd for, whether they are perishable or not, for they do not lessen the Industry of the People; which is easily prevented by putting such a Duty upon them as may make them too dear for common use. For the Merchant, and those that are concerned in Shipping, grow rich, and get as much by importing Wines, Oils, Fruit and other perishable Goods, as they would do by importing Iron, Copper, Silver, Gold, or other Goods as durable." * * "So that the question of which Nation thrives most cannot be determined by observing which imports most goods in value that are perishable; but by observing which imports most of such sorts of goods that must increase or lessen the industry of the People; and which Nation imports or exports most of such goods by which the greatest number of the inhabitants are made rich. This can never be discerned by the value of goods in the Custom House Books, or by any other calculation that is proposed for taking an account of the balance of trade. For tho' a Nation should import and consume less in value of the Foreign Commodities than are exported of the Native, and the rest which is Balance should be Bullion, yet such a Nation may grow poor and be undone." "And the importing of Wines or any other commodities that are only for the use of the richer sort of the people, which do not hinder the Labour and Industry of the Nation, are as profitable as the importing of Bullion. So that the taking an account of the Poverty or Riches of a Nation by such a Balance of Trade, from the Value of

the Goods, if such accounts could be taken would be of no use[1]." The lucid argument from which these sentences are extracted seems however to have received no special attention either at the time of publication or afterwards.

§ 80. This statement did not greatly influence popular opinion, but the constant study of economic phenomena with the view of introducing such regulations as should improve the condition of industry and trade was very instructive. The new proposals were not really for the most part more beneficial than the old; but the failure of one expedient after another, which was demonstrated by the propounders of new nostrums, had gradually prepared the public mind for giving up the whole attempt, and accepting the Natural System to which Adam Smith called attention. Other important points were also incidentally elucidated: the method of raising the revenue underwent a great deal of discussion, and the incidence and indirect effects of taxation, which had hardly been examined before, came to be more clearly understood[2]; when we consider how much of the taxation of the country was indirect, and how frequent were the suggestions for modifying the tariff in one direction or another, we may feel that this was no slight gain.

of the nomena ade

It is unnecessary to attempt to describe in detail the elaborate system, constantly altered as it was, by which the government endeavoured to regulate industry and trade for the public good; all trades are so interconnected that it is impossible to favour one class without putting

[1] *A Discourse concerning coining the New Money Lighter*, (1696), p. 49.

[2] See for example J. Massie, *Reasons humbly offered against laying any farther tax upon Malt or Beer* (1760); who calculated (p. 7), that the Malt-tax would cost the people nearly four times what it produced for the State.

some others to a compensating disadvantage: it was the interest of the agriculturalist to get good prices for corn and wool; it was the interest of the manufacturer to obtain these articles cheap, but to sell cloth at a good price; it was the interest of the merchant that the quantities exported should be as great and as cheap as possible. These various interests were not compatible; each regulation which the friends of the one passed, affected the others injuriously; and all had a prejudicial effect on the long-suffering consumer.

All this may become clearer if we mention a few cases where regulations for the promotion of one particular trade were found to have bad effects. Some instances have been given above in considering the Navigation Act[1]; but others, where the acts passed with the object of protecting a particular industry really led to its subversion, are more conclusive. This was said to be the case with the English staple manufacture—the woollen trade.

protection of English woollen manufacturers

A.D. 1696.

"The year before the Peace of Ryswick, the English jealous lest Ireland, by being able to work the Woollen goods cheaper than they could do, would by that means supplant them in foreign markets, took the following occasion to cramp their Free Trade with other Nation which they then enjoyed. * * It was agreed that Ireland should lay a tax of four shillings in the pound on all Woollen Goods exported to foreign markets. Upon this England became fearful that the Irish not having as before the opportunity of their foreign trade, might prejudice the English manufactories, by importing woollen goods to England cheaper than we could have them here: And therefore they prohibited the importation of Woollen Goods from Ireland to England, except only to

against Irish competition

[1] See above, p. 327.

the five Wool Ports, and subjected all such goods to duties laid on them by antecedent Acts." By these means the English succeeded in extinguishing the Irish manufacturing. "What now could the Irish do? not having a proper vent for their manufactured goods, they were glad to seek out for foreign customers for their unmanufactured wool. Thus we subverted the Irish manufactories, but at the same time gave a great advantage to an enemy, much more formidable than the Irish could have been to our English trade. For the French took this opportunity of getting Wool combed from the Irish, who were willing to do something at least towards manufacturing it[1]." Nor is this a solitary instance of hurtful legislation which had been ignorantly designed to increase this very trade. It had been an object from time immemorial to prevent the export of raw English wool so that other nations might come to us for cloth: but after a most elaborate study of all the legislation, and all the proposals that had been made with reference to this industry, the author of the *Memoirs of Wool* came to the conclusion that this policy had been unsuccessful, and that a system of bounties on the manufactured article must be inaugurated instead[2].

so as really to benefit the French.

Depressing the enterprise of sugar planters in English colonies

Another instance of damaging an industry by attempts to favour it may be taken. "So that when *British Sugar* was loaded with an increased charge of 3*s.* 9*d.* per 112 Pounds, from which *French Sugar* was at the same time exempted, the *British Sugar* Planters were so far able to preserve the Foreign *European* Sugar trade, that there were annually, and for seven years, re-

[1] S. Webber, *An Account of the Woollen Manufactories*, quoted in J. Gee's *Trade and Navigation* (1730), p. 117.

[2] John Smith, *Chronicon-Rusticum-Comerciale*, or *Memoirs of Wool*, II. 557.

exported from *Great Britain* about *Ten Thousand* Hogsheads of *Sugar:* but from the time that the Legislature was pleased, upon the representations of the *British* Sugar Planters, to put them in a Capacity of sending their *Sugar* to foreign markets 3*s.* 9*d.* per 112 Pounds CHEAPER than they could when 10,000 Hogsheads of *Sugar* were annually re-exported from hence, the said Planters have WHOLLY LOST the foreign *European* sugar trade. * * If any Person would know the TRUE CAUSE of our not having had the said profitable Branch of Trade for Twenty Years past, I must beg leave to tell him it has been occasioned by not permitting foreign Sugar to be imported into this kingdom, upon the payment of only *moderate duties;* for the want of such a Permission put it in the Power of the *British* Sugar-Planters to make a Monopoly of Sugar here; and the monopolising of that commodity at home, being *Five Times* as profitable to them as selling *Sugar* Abroad, they have taken CONSTANT CARE *to do the* ONE *but have left the* FRENCH *to do the* OTHER[1]."

by giving them a monopoly of the English market. A.D. 1757.

If attempts to benefit a single trade were so hurtful to that trade, it is useless to trace the indirect effects on other branches of industry. So clear had been the failure of legislation to regulate trade beneficially, that there were certain Free Traders who argued that the true way to render the balance of trade favourable was to do away with all indirect taxation, but to issue licences to individuals for the consumption of different imported luxuries, so that trade might be absolutely unfettered. The abolition of all customs would enable our manufacturers to obtain raw materials and to work them more cheaply, while it should remove a great burden from our mer-

Abolition of all customs recommended,

[1] J. Massie, *A State of the British Sugar Colony Trade* (1759), p. 27.

chants, so that we would be able to export our products much more cheaply, and thus to undersell other nations. The cost of carriage would suffice to give our manufacturers the advantage over foreigners in supplying the home markets. "Perhaps it may be wondered at, that no Bounty should be proposed as a means to restore trade, but if a Free Port[1] will gain us all those trades that we are naturally capable of, it will appear to be itself the greatest Bounty, and in endeavouring to force Nature the Expence is certain, but the Success doubtful."

as a means of ensuring a favourable balance,

"If the Imports of Britain exceed its exports, we must pay the Balance in Treasure, and the nation grow poor. The Imports cannot exceed the Exports in any country where the Trade is free." These sentences are taken from an anonymously published *Essay on the Causes of the decline of the Foreign Trade*[2], which was written in 1739; it argues on behalf of Free Trade as the means of opening more extensive markets, and so increasing the vent for our commodities that the balance would be more decidedly in our favour. But this association of Free Trade views with anxiety as to the Balance of Trade was not wholly new, although it had never been so consistently expressed before, for there is hardly one of the particular proposals made by this writer, which had not been previously urged by Robinson[3], or others. Still his essay marks a further

[1] "I mean that all sorts of merchandise be imported and exported at all times without paying any Customs or fees." *Essay on the Causes of the Decline of Foreign Trade*, p. 56.

[2] Macculloch, *Literature*, p. 329, attributes it to W. Richardson: it contains a proposal for raising supplies which differed from that brought forward by Sir Matthew Decker in *Serious Considerations on the several high duties* (1743); but Postlethwayte (*Great Britain's True System*, 1757, p. 175) attributes the *Essay* to Decker also, and he is followed by Adam Smith.

[3] *Proposals to the Peoples Freedom and Accommodation* (1652), p. 11.

step in the discrediting of the Mercantile System. It had already been shown that neither as a political object, nor as an industrial criterion, was the Balance of Trade worth much consideration; and now it was shown that State regulation was not such a good means for making the most of the national resources as that of leaving manufacturing unencouraged and trade unhampered. *Laissez faire, laissez aller.* Instead of relying on the government to direct the production and trade of the nation into the most profitable channels, the author argues that all production should be made as cheap as possible, and implies that the nature of the home and foreign demand would mark out the directions of industry which we were naturally best fitted to pursue. Hitherto the policy had been that of encouraging a supply of those articles which appeared, on political or other extraneous grounds to be most beneficial to the nation, and when this was accomplished to create, by treaty or otherwise a 'vent for our surplus;' the policy of *laissez faire* was first proposed as a better means of circumventing foreign competitors in all markets.

as demand would determine the most profitable direction of industry, better than State regulation had done.

§ 81. It has been noticed above that underlying the doctrine of the Balance of Trade was an assumption as to the effect of trade on the power of the country: those trades, like that of shipping, which developed the strength or any which added to the treasure of the country ought to be prosecuted at all risks, because they increased the power. But other nations, with similar ambitions for the prosperity of their own country, might adopt similar expedients; it was very soon obvious that the balance of trade could not be in favour of each nation at the same time; as all adopted a similar policy the rival national ambitions led to a commercial competition which was just as truly an attempt to overcome a rival country as

Political and Commercial Rivalry.

open warfare would have been.) Under these circumstances the expediency of engaging in this keen commercial rivalry needed to be proved almost as much as the expediency of declaring war, and one writer in the seventeenth century recognised the fact that a cessation of these national jealousies, would be for the common advantage of all countries that traded with each other[1]; the spread of cosmopolitanism since that time has done much to destroy the political basis of the Mercantile System.

It has been too readily assumed that the commercial writers of the seventeenth and eighteenth centuries ignored the loss that arose from this national rivalry; but this was not the case. At one time it was argued that by gradually changing our tariff to their disadvantage, we might benefit ourselves considerably before the other nations found out what we were doing and retaliated[2]. A more common opinion was that our natural advantages were so great—in that we supplied necessaries to other nations while we only consumed their

A war of Tariffs.

[1] "That the whole World as to Trade is but as one Nation or People, and therein Nations are but as persons. That the loss of a Trade with one Nation is not that only, separately considered, but so much of the Trade of the World rescinded and lost, for all is combined together. That there can be no Trade unprofitable to the Public, for if any prove so, Men leave it off: and wherever the Traders thrive, the Public, of which they are a part, thrives also. That to force Men to deal in any prescribed manner, may profit such as happen to serve them, but the Public gains not because it is taking from one subject to give another." Dudley North, *Discourses upon Trade* (1691), Preface. After this vigorous statement of principles, the body of the work which is chiefly directed against the bullionists, rather than the mercantilists, proves singularly disappointing.

[2] Robinson. See above, p. 346.

luxuries—that we could get on better than they, even if the course of retaliation led to a practical cessation of trade: England as the industrially stronger country could sooner or later force other nations to accept her terms, and might therefore fearlessly engage in the bitterest commercial struggle. But after all the struggle was in itself costly: just as a favourable treaty would secure the advantages won in war but might be perhaps obtained by the diplomacy of a well-armed power, so it seemed that commercial treaties might be made which would secure most of the advantages without any of the losses of a successful contest of tariffs.

Commercial treaties.

Commercial treaties had of course existed for a long time, perhaps from the time of Charles the Great and Offa of Mercia: for many centuries they had been intended to secure protection for the person and property of English merchants travelling in foreign lands: subsequently they had been intended to secure a footing for English traders by the side of exclusive gilds and leagues: in the eighteenth century they were intended to provide an open market for English goods, or a vent for our surplus.

Political interests

That the framing of such treaties was an immense advance on the old struggles for mastery, and beneficial to both parties who agreed to refrain from attacking one another's trade is obvious: but an unexpected change followed, in its wake. A certain stability was introduced into our commercial relations by these treaties: while the struggle was going on, it might be a duty to sacrifice one's own interest for that of the mother country: but when the position of the mother country was rendered secure the case was changed. There was some reason in depressing the trade and manufactures of our colonies for the sake of supporting our own active

led to the commercial depression of the Colonies.

power to maintain the cause of the English race at home or abroad, but there was not the same excuse for creating a permanent subjection of the interest of English settlers to the interests of English merchants at home. The impatience of the disadvantages at which
A.D. 1763. the colonists were placed grew stronger, till at length the decline of the French power in North America removed the fear that had forced them to submit to the disadvantages at which they had been constantly placed. In spite of Dr Price's able advocacy[1] the more liberal policy towards the colonies, which he proposed, was not carried out in our treatment of the richest lands that had been appropriated by men of English race.

Little gratitude fell to English capitalists.

The line that was taken by those who advocated the continued subjection of the colonies to England is somewhat instructive. It could hardly be maintained that under the new order of affairs the settlers were contributing by their sacrifices to the growth of the power of the country relatively to rival powers: it was to the interests of a single class that their manufactures were sacrificed; but it was contended that the wealth of the colonies had been developed by English capital and English credit, and that common gratitude demanded that they should continue to pay for the start which had been thus given them. But the colonists felt that against all the advantages which had been derived from the use of English capital,—on which Englishmen had earned their fair profit,—was to be set the long account of disadvantages to which the colonists had been put from the days of the Navigation Act till the War of Independence deprived the controversy of any practical importance.

Increasing cosmopolitanism.

Before that time, however, the attempt to use trade as a means of gratifying national ambition and outstripping

[1] *Two Tracts on Civil Liberty.*

national enemies by profiting at their expense had greatly lost its hold. The most popular of the commercial writers of the middle of the eighteenth century discards it: to his mind the competition between nations is a healthy rivalry which induces each people to do its best[1]. His language still reminds one of the system that had held its own so long: but there are signs of that cosmopolitanism which characterises modern Political Economy, and which is quite inconsistent with that intense national feeling which had its natural outcome in the Mercantile System.

Adam Smith and A.D. 1786.

Before the seventeenth century closed that system was undermined, but the credit of its overthrow will for ever rest with Adam Smith. It was the work of his genius to combine into one system the separate criticisms which had been urged by different writers, and to bid us embark on a wholly new course instead of merely improving our old methods. It is easy to show that he did not do justice to the writers he criticises, and still more simple to prove that his different recommendations had been anticipated by various writers, English or French: none the less is it true that by adopting a new standpoint, and by the synthetic power which he brought to bear on these isolated hints, he introduced principles which worked extraordinary changes in English industry and commerce.

the system of Natural Liberty,

"All systems therefore either of preference or restraint being thus completely taken away, the system of natural liberty establishes itself of its own accord[2]." But this system of natural liberty implies an entirely new standpoint: it starts with the individual and individual

[1] Malachy Postlethwayt, *Great Britain's True System* (1757), p. 234.

[2] *Wealth of Nations*, Book IV. chap. 9.

desires, not with the State and with national ambition.

and pursuit of National Wealth.

Again, as each man aims at his private gain, wealth pure and simple—as the aggregate of private gains—comes to be the subject of study: it was not so in the mediaeval industrial system, when the promotion of good work at fair rates received more attention than anything else, nor was it so in the two centuries that followed the Reformation, when national wealth was desired as a means to attaining national influence. The pursuit of wealth, not as a means, but as though it were an end in itself, has been the distinguishing feature of the last century of English industry and commerce. Under the system of natural liberty individual energy has been allowed free play in striving lawfully for private gain, and the extraordinary increase of inventions and discoveries indirectly testifies to its power. Under the system of natural liberty too, individual enterprise has defined the directions in which the national stock shall be used, and has thus led the people's industry to lines on which it responds to a world-wide demand.

The Body Economic,

§ 82. The acceptance by the government of the country of the principle that the free play of private interest gave the surest means for the rapid development of the resources of the nation, was one of the most important turning points in the industrial and commercial history of the nation. The stage we have reached is one at which we may well pause to review the gradual growth of the body economic.

its formation,

Through the earlier part of the history of our race in this island, it was hardly possible to speak of one body economic at all: the life of the people was sustained by the action of a large number of little village groups, each of which was practically independent of the rest, and each of which met its own wants by its manage-

ment of its own resources (§§ 17, 18). But the development of trading gradually brought about the differentiation of these villages, and in the Great Survey we find that the land was held and used by men who were united in social groups of two distinct kinds—the manors and the towns. All of these groups were forced into a real political connexion by their dependence on the crown, and there was doubtless a measure of industrial interdependence between them as well (§§ 25—27). The growth of foreign trade under the Norman kings led to a farther differentiation; the towns made very rapid advances in wealth, and in political power, while the population of the manors did not share in these advantages, to anything like the same extent (§§ 32—34). But it was in the time of Edward I. that we first find these various groups really united, for industrial and commercial purposes, into a single whole, with a government which attempted to control simultaneously the economic resources of the entire realm. Till the time of Edward I. we have to consider the formation of a body economic; from his time onwards, we can trace its growth (§ 41).

and growth

The growth of the body economic in mere *size in size* during four centuries from the time of Edward I. was very remarkable. His legislation had no influence on the northern parts of Great Britain, or on the sister island; but in the time of Queen Anne the English government took account of the resources of western lands which were unknown in the middle ages, and English subjects had a firm footing in the East, where perhaps no European traveller in Edward's time ever penetrated at all. When we fix our attention on the vast increase of the portion of the earth's surface under English control since the Hanoverians came to th

throne, we are apt to underrate the importance of the additions that had been made before that time (§ 73).

and in hardiness,

Quite as important has been the increasing *hardiness* of the body economic. When we read the stories of mediaeval chroniclers, we are constantly struck by the accounts they give of the terrible effects of bad seasons or of some similar visitation. To us it seems that there was strangely little power of meeting sudden emergencies; and just because each part of the country was chiefly dependent on its own unaided resources, there was no means of holding up against a temporary, and perhaps a very local, reverse. As better communications were opened between different parts of the country, and when there was a constant trade with foreign lands, it was possible for one district to obtain aid from another, so that the effects of the strain were distributed over a larger area, and each part of the country was better prepared to face a serious emergency.

and increase of specialisation,

Another most important change has been the development of the resources of the country through the increasing *specialisation of industry*. It is obvious that certain localities have a natural fitness for certain industries; this is most clear in the case of mining. The position of many towns, and their special facilities for procuring certain raw products have had similar effects. In some cases it is hard to see why some locality is particularly adapted for the industry that flourishes there, but the fact remains that there has been a constant specialisation of function in different parts of the body economic, and that as a consequence, it is capable of accomplishing a very much greater amount of work of every kind (§ 77).

Most striking of all has been the increase in the *ef-*

fective power of the government *to control* the different parts of the body economic. Edward I. could only attempt to give a greater protection to travelling merchants, and to furnish some slight facilities for security in the conduct of trade; even in Edward III.'s time, the ordinary police regulation was entirely in the hands of local authorities, and the conditions on which any industry should be carried on, were determined by the arrangements imposed in each locality. The special customs of each locality have given place to a more general control, and the government became solicitors not only as to the *position of foreigners* within the realm, but it also began to regard the *manner* in which native industry was carried on, as a matter of public concern (§ 48). In later days it tried to pay attention to the *sort* of industry that was pursued (§ 49), and subsequently to keep an eye on the *directions* in which trade might prove most profitable (§ 70). Still more, the government eventually made provision for maintaining those who were past work, and to find employment for those who were able to do it (§ 59). All these matters have come to be considered things of public concern, with regard to which the government may well have a care, and about which it should certainly exert its influence.

and of effective control

It would of course be a mistake to suppose that any of these matters had been entirely neglected before the functions came to be discharged by the State: roughly speaking it would be true to say that the State only tried to carry out everywhere what had been already successfully accomplished in isolated districts. In the Custom of Ipswich we find the model of Edward I.'s legislation. In the regulations of the craft gilds of London we see the forerunner of Elizabeth's statutes, and so in every case. When this work was undertaken by the central

by the State.

government, all districts shared in the benefit; but there was another and equally important effect. As the central government superseded the local authorities, individual citizens were less hampered by regulations than they had previously been. If the lord of a manor, or the authorities of a gild, were responsible for the conduct and diligence of any individual, they were obliged to force him to keep within their reach; but when the central government undertook similar functions his movements were not thus hampered. Private enterprise had given many proofs of its vigour, and the government had endeavoured to guide it into the wisest channels for the common weal; and the change of policy at the end of the eighteenth century did not mean that the State was abrogating the function of caring for the development of trade, but that it had found out a new means of accomplishing the old object. The vigour of private enterprise had at one time been condemned as introducing social disorder—as had indeed been the case—but it could not be repressed. Then the State had endeavoured to regulate the direction of a force it could not keep down, but that attempt had ceased to lead to satisfactory results; and thus the government came in time to permit the free play of private enterprise in almost all directions, as the wisest course for developing national resources.

Freedom for private enterprise.

Thus it is that since our forefathers settled in this island, the industry and commerce of the whole country have become organised, and the economic organism has developed: in size, in hardiness, in more complete specialisation of function, in power of effective control, the growth has been most noticeable; and the history of the body economic is a story of startling progress.

Progress of Society undoubted.

Yet when we turn from considering the condition of Society as a whole, to look at the life of the various indi-

viduals who compose it, there is much more difficulty in instituting a comparison, and in deciding whether the progress of Society has been for the well-being of individuals or not. Apart from the difficulty of finding data for a comparison[1], it is almost impossible to see how to apply any measure. With which of the many ill-defined grades of modern Society are we to contrast any of the few but definite classes of the time of Edward III.? Nor is it possible to obtain an absolute standard of comfort by which to compare the well-being of individuals who lived some centuries apart. If we regard a man as well off who is in a position to *satisfy his felt wants*, the villein in Richard II.'s time was probably better off—except in very bad seasons—than the artisan in the present century. But if any one repudiates the mere notion of material comfort as savouring of a gross utilitarianism, and argues that the man "who feels more wants is a higher being," and has attained to a better, if perhaps a less contented, life, there may be still greater difficulty in finding a standard of goodness by which to compare the two. Without attempting such a difficult investigation, we may say that it is not obvious that modern merchants are more alive to the duty of mutual assistance than the good men of the Town Gilds, or that modern artisans are more careful in furnishing good work than the craftsmen of former days. Society has

but effect on individual

happiness or

morality

[1] We should need a great deal of confirmatory evidence before we could trust to any single contemporary picture of life, as e.g. in Langland's *Piers Plowman* or in the political songs; as we cannot tell that the cases are described without exaggeration, or whether they are really typical. It is merely ludicrous to generalise a description, from one or two single instances, of the position of the peasant in the middle ages. The accurate records of the rations supplied for work done by villeins (see above, p. 198 note) are much more trustworthy.

made extraordinary progress, and its parts are more adapted for rapid production and intercommunication, but whether individuals are either happier or better, we have no means of judging, and do not know.

very difficult to estimate.

Nor need we greatly care to speculate idly on this subject. It is easy to fix our eyes on the special evils of life long ago, till we teach ourselves to contemplate the sorrows and struggles of living men and women with pur blind complacency, while we thank God that we are not as our forefathers were. It is easy too to turn from the miseries of the present in half despair, and dwell with delight on the excellences of an idealised but most unreal past. Our task has been to try and understand the past: we are not called upon to condemn it, and to regret it would be idle; it is enough if we can so far profit from bygone experience of success or failure as to make the most of the present, and do our best for the future of the English nation.

VI.

CONCLUSION.

83. Political Economy and Modern Industry. 84. Competition and the Relative depression of Labourers. 85. Population and means of subsistence. 86. Effective demand, and the direction of Capital. 87. Private Enterprise and Social organisation. 88. Past, Present and Future.

§ 83. So far we have endeavoured to trace the growth of English industry and commerce as an organic part of the national life, in its connexion with the political condition and culture of each stage of Society; but as during the eighteenth century the industrial system came to establish its position as a more independent factor, the method we have pursued ceases to prove satisfactory. So soon as industry and trade came to pursue their own end —wealth—and to assert their independence from the guidance of statecraft, their course and progress can be better understood by recognising this fact and treating them as though they were almost isolated from other social phenomena. This is the treatment which the pursuit of wealth receives in modern Political Economy, this is the current tone in which industry and commerce are habitually pursued, and this is the point of view from

Pursuit of wealth for its own sake.

which the recent history of English industry and commerce can be most satisfactorily described. The events of a time can only be truly described when we enter into the ideas of the time, which gave them their colour: according to modern ideas, the pursuit of wealth can be carried on, and its conditions studied, without direct or conscious reference to other sides of human and social life.

Political Economy as an instrument

The body of economic knowledge which has been gathered and systematised from this modern point of view possesses a very high and not always sufficiently-recognised value. Social phenomena are very complicated, the mass of facts which are brought under one's notice in connexion with any trivial trade controversy is enormous, and there is an immense advantage in finding ready to one's hand in Political Economy a body of knowledge by which, when we isolate a certain number of the complicated factors, we can trace their normal effects and thus detect more easily the influence of the conditions which lie outside the well-marked group of phenomena which Political Economy investigates. In a similar way it gives us an admirable aid for discussing the value of any new charitable or other scheme that is proposed. We can thus judge not of its whole results but only of some of its aspects, though these are among the most important. If the proposal be economically sound it will support itself and continue its beneficial results for long; if it be economically unsound it requires for its continued existence, and still more for its growth, the maintenance and development of a charitable sentiment. We cannot afford to neglect a body of knowledge which gives us such help as this, even though it deals only with a group, and not with the whole range of social subjects.

for investigation

If the assemblage of facts which have to be taken into account in any one social question is great, the piles of information which can be obtained in regard to the industrial and commercial history of the last hundred years are simply overwhelming. In order to grapple with them at all, it would be best to isolate them as completely as possible, and to treat the course of events as roughly exemplifying the recognised principles of Economics, and as exhibiting the tendencies which Economists study, but partially counteracted in actual life; and it would scarcely be advisable to enter on this new task here. Our present economic system has been spoken of as independent, inasmuch as modern business pursues its own aim, impatient of any external control, but it has, none the less, had a decided bearing on, and been influenced by, modern politics and modern culture. This system is after all the outcome of a certain stage in our national life; its continued maintenance and its development depends on intellectual and moral considerations which do not lie within its immediate view; in the remaining paragraphs no attempt will be made to describe our modern industry and commerce, but only to indicate their bearings on other sides of national life.

and for the presentation of recent history.

§ 84. While attention is called to the marked differences which characterize the modern as compared with earlier industrial and commercial systems, it would be a great mistake to suppose there was any sudden break in the continuous course by which one phase has succeeded another. Some space has been already devoted to an account of anticipations of the views which were systematized by Adam Smith; and in many directions the "natural system" had established itself long before he wrote. Indeed its attaining a footing, and then a su-

Continuity of industrial growth.

and gradual introduction of competition.

premacy, had become almost a question of time from the period when competition was first recognised as a fair means of settling prices and wages. According to the natural system, competition forces capital into the most profitable channels; competition stimulates each capitalist to make the most of his resources, to adopt new processes and inventions, and thus to open larger markets for his goods; competition for remuneration too keeps labourers up to the fullest expenditure of their energies, and by these means has given the very greatest stimulus to rapid production. Bit by bit, as the gild regulations were evaded or fell into disuse, as industries arose on which no special care was bestowed, and finally when the attempt to regulate the direction of industry by statecraft fell into disrepute, competition came to have a larger and larger share in determining commercial affairs—though never to be the sole factor deserving consideration in the economics of our social system.[1] In regard to a gradual change of the kind it is difficult to assign any definite date: the bakers' trade in London[2] was perhaps one of the earliest where the free play of competition was felt, as it seemed undesirable that any regulations should give even the appearance of monopoly to dealings in the food of the people. The Statute of Apprenticeship, passed in the fifth year of Queen Elizabeth, required that every workman should serve a seven years apprenticeship, and that no master should have more than two apprentices; besides this, wages were to be assessed by the justices, and in so far as by this system, a general enforcement of the old gild regulations, was kept up, the free play of competition

Bakers.

[1] The most palpable case is the determining of farm rents which are rarely fixed by mere competition with no regard to other than pecuniary considerations.

[2] K. Marx, *Das Capital*, 245.

was greatly checked. To some trades which were afterwards introduced[1], however, the statute scarcely applied; such was that of the framework-knitters where the free play of competition may be noted from early in the eighteenth century. In the woollen trades the old system was nominally maintained till the present century. But the progress of mechanism, and the new conditions under which manufacturing of all sorts could be more profitably conducted after the invention of the steam engine eventually won the day, and free competition with its stimulative effect on all kinds of production came generally into vogue.

Framework knitters.

Under the social code of Elizabeth the length of hours, the rate of pay, and other conditions of industry had been affected by legal regulations, though not generally fixed by statute; but in the new state of Society this was no longer the case. It is often said that any law which prevents a man from working as long as he likes, and as hard as he likes, so as to increase his earnings as much as he can, is a serious injustice to the skilful and diligent man; and from this point of view there appear to be great advantages in allowing the length of hours, the amount of wages and so forth, to be settled by free bargaining between the employer and employed. It is worth while to observe however that, as was remarked above, in every case of bargaining, one man stands in a better position for obtaining favourable terms[2]; the sailor has an advantage over the savage, the pedlar over the farm-servant, and can thus make a considerable profit on his transactions. In the bargains between a capitalist and labourer this is still the case; the capitalist has a store of wealth and is less anxious

Effects of competition in causing the depression of labourers relatively to capitalists.

[1] Brentano, *Gilds*, 115.

[2] See above, pp. 63, 254.

about immediate results, and he is in the stronger position for bargaining. If competition be free, the terms of their agreements with labourers are likely to show that the class of employers have not neglected the advantage which their position gives, while they may sometimes tacitly combine to render their advantage more secure.

The relative

To state this is not to bring any accusation of hardness against Masters, but only to give the explanation of a fact which has hardly received sufficient attention. Under a régime of free competition there is a constant tendency for the position of Labourers as compared with that of Capitalists, to be rendered worse: at each change in the method of conducting an industry when the relative reward of Capital and Labour is re-adjusted there has been a depression of the labourer. It is scarcely possible that in a rapidly progressing Society any class of the community should be absolutely worse off than the corresponding class in last century. English wealth has increased enormously, but the share of the labourer has not increased so much or so fast as the whole wealth of the country, or as the shares of other classes. We do not need to face the difficulties indicated above, or to find an absolute standard of comparison, in order to be convinced that the wealth of labourers has not increased so rapidly as the wealth of capitalists. Under the régime of free competition, which has been dominant for more than a century and a half, but which existed in its purest form between the repeal of the Statute of Elizabeth and the passing of the Factory Acts, there is a constant tendency for the position of labourers to be depressed relatively to that of Capitalists. We need not suppose with German socialists that this state of things is intentional, for many people are wholly unconscious of the circumstances which have just been noted; but the existence

though not absolute,

depression of labourers.

of a tendency under the régime of free competition to depress the position of the labourer relatively to that of the capitalist, is so clear, when we review a considerable period of time, that it would seem impossible for the most self-satisfied optimist to shut his eyes to it.

Condition of the manufacturing population in 1728

We may contrast the position of our manufacturing population as it was described in 1728, with that which it had attained through the marvellous progress that was made in the succeeding century. "The Muscovites liv'd on that Employ; that is to say they did not immediately perish; but the Truth is, they might be said to starve at it, not live at it. But our labouring Poor really live, keep Families, pay Taxes, Scot and Lot, as we call it, wear good Cloths, eat the Fat, and drink the Sweet. * * By the good Pay the Weaver and all his Dependent Tradesmen are encourag'd to make the Wares good, by the Goodness their credit abroad is kept up, by the Credit the Price, and by that Price the Wages: one *Hand* washes *t'other Hand* and both the *Hands* the *Face*[1]."

and in 1842

In 1842 Colonel Perronet Thompson wrote from Bolton to the "*Sun*[2]." "Did you ever set eyes upon a pennyworth of Mutton? Come here and you shall see how rations are served out. * * It might bait a rat-trap, though a well-fed rat would hardly risk his personalities for such a pittance. Pennyworths of mutton and halfpennyworths of bread cut off the loaf are what the shopkeepers of Bolton deal out to the inhabitants. I saw a woman come for one halfpennyworth of bread which was to be the dinner of herself and children twain. * * I saw another mother of a family who said she had

[1] D. de Foe, *A Plan of the English Commerce* (1728), p. 61.

[2] H. Ashworth, *Recollections of Richard Cobden, and the Anti-Corn-Law League*, p. 58.

not tasted meat for many months; and on one of the children being sent off to the butcher's for some of the strange luxury, she was discovered making many efforts to intercept the messenger. Her anxiety was to instruct the boy to bring back nothing but one pennyworth of bacon: there was a to-morrow, and to-morrow, and to-morrow, for which she had conceived the idea of spinning out existence by means of the remainder of the fund. If you are curious in human misery, * * come at your leisure * * and see what the people sleep upon when they do sleep. Chopped dirt, the sweepings of a hen-house mingled with a proportion of sparrows' nests, to shew that men had heard of straw, would be the best representatives of what they huddle upon and call it resting."

contrasted. These pictures, both of which are amply borne out by other evidence[1] might almost seem to shew that the labourer was not only relatively but absolutely worse off: much more, and much more varied evidence would be needed to support such a conclusion. They may however serve the purpose of raising the strong presumption that the position of a large mass of labourers had by no means improved, while on the other hand the diagrams in Appendix IV. delineate the enormous increase of the wealth of the country, much of which must have accrued to producers,—but to the capitalist rather than the labouring class of producers. That this relative depression has

[1] The evidence before various Royal Commissions confirms the statements about the later period. In regard to the earlier date see Playfair (*Letter on Agricultural distress*, 30), whose careful collection of figures in his excellent *Commercial Atlas* gave him a right to speak authoritatively, as to prices and wages: he does not take sufficient account of the difference of industrial conditions, however. Also Mill, *Pol. Ec.* II. c. 11, § 2, notes.

been due to the insensible action of free bargaining between Capitalists and Labourers, may be seen both from a consideration of the effects of the first introduction of competition in different quarters, and from the observations of contemporary writers.

Relative depression of labour due to the action of competition,

It has been stated above that different industries came under the régime of free competition at different times. While Daniel de Foe was writing of the prosperous condition of the manufacturers who were affected by the statute of Elizabeth, the overworking and underpaying of the London bakers whose industry was free from all such regulation had already begun. The framework-knitters, in whose case the statute was ignored, were in even worse plight as early as 1710, and in the middle of the century "there was often only one coat in a shop which was worn by each in turn as he went out from its precincts[1]." As each trade in turn came to be set free from all state or gild regulation the depression of the labourers relatively to the employers in that particular industry began. This is a most important point, because it renders it obvious that the later misery was not really due to any general cause that affected all classes of labourers equally, such for example as the raising of prices by the corn-laws, or a natural tendency of population to increase more rapidly than the means of subsistence. The misery of the labourers in 1842 can neither be wholly ascribed to the selfishness of the landed interest, nor to the improvidence of the poor: these may have been accelerating causes, but the first downward steps were taken in each industry when the free play of competition gave opportunity for the gradual but constant depression of labour: and the same tendency rendered it impossible for labourers

as seen from the history of its introduction,

[1] Felkin, *History of Lace Manufactures*, p. 82.

to recoup themselves when other distress came upon them.

and from contemporary observation.

Farther evidence of the same kind may be found in the opinions of authoritative writers in the eighteenth century, who observed the course which matters were taking. Sir James Steuart writes, "Why do large undertakings in the manufacturing way ruin private industry, but by coming nearer to the simplicity of slaves[1]?" Adam Ferguson believed that the progress of society brought about a moral and intellectual degradation[2], and of this, the labourers' condition towards the middle of this century, the Commission Reports give sufficient evidence, though we have no definite information which will enable us to institute an exact comparison with the state of things last century.

Means by which competition brings about the depression.

We can not only recognise the reason of this general tendency, but can see the particular occasions on which it has come into play. The various expedients which capitalists have adopted with the view of reducing the expense to which they are put for labour have been lengthening the hours of work[3], employing children[4] or apprentices to do the work, and thus leaving no field for those who had learned the trade; it has been by the insensible adoption of these practices on a larger scale, as they proved remunerative, rather than by any sudden resolution that the tendency has shown itself. But the most striking fact is that an enormous increase of production has been taking place during the whole period which has seen the steady depression of the labourer. The practice of carrying on

[1] *Enquiry into the Principles of Political Economy.* Works, I. p. 225.

[2] *History of Civil Society* (1767), 280—285.

[3] Marx, *Das Kapital*, 233—302.

[4] *Ibid.* 411.

industry on a large scale so that the division of labour could be generally introduced has tended to the increase of production, but not to the direct benefit of the producer. The large capitalist who combines many trades in one business,—as, for example, the printer who does the binding of his books and manufactures some of the materials he uses—or the capitalist who divides some production into many departments, to each one of which men are specialised—is the only man who comes in contact with the outside market, either for materials or for wares, and finds the advantage of this knowledge to strengthen the position he already has for driving favourable bargains. And so too with the introduction of machinery, which has so often followed the extended division of labour, it has given rise to a greater opportunity to substitute the labour of children for that of adults, and owing to the value of the fixed capital it has rendered capitalists more anxious than before to extend or keep up excessive hours of labour[1]. The superiority over Labour which Capital has gained by its greater fluidity has been fully maintained, owing to the diminished importance of the labourer in production as a mere "hand" working by the side of valuable machinery. *Division of Labour.*

The introduction of the spinning-mule is the event which may be taken as marking most clearly the development of the factory system, with all its concomitants of production on a large scale, minute division of labour *Introduction of Machinery*

[1] The possible compensations in the greater cheapness of the product to the labourer as a consumer of his own goods, and in the extended demand for goods increasing the demand for labour diminish its force, but do not reverse the tendency. For the great effect they sometimes have, see Baines, *History of Cotton Manufacture*, 446, 491. The subject is thoroughly discussed in Nicholson's *Effect of Machinery on Wages.*

and introduction of machinery, and this change had a remarkable effect on rural districts also. Agricultural employment is irregular, since the amount of labour required at some seasons of the year is so much greater than that needed at others, and it was therefore the practice in many counties to unite a considerable amount of domestic manufacturing with rural pursuits. "In the year 1770, the land in our township (Mellor, fourteen miles from Manchester) was occupied by between fifty to sixty farmers; rents, to the best of my recollection, did not exceed 10*s.* per statute acre; and out of these fifty or sixty farmers, there were only six or seven who raised their rents directly from the produce of their farms: all the rest got their rent partly in some branch of trade such as spinning or weaving woollen, linen or cotton. The cottagers were employed entirely in this manner except for a few weeks in the harvest. * * Cottage rents at that time, with convenient loom-shop, and a small garden attached, were from one and a half to two guineas per annum. The father of a family would earn from eight shillings to half a guinea at his loom; and his sons, if he had one, two, or three alongside of him, six or eight shillings each per week; but the great sheet-anchor of all cottages and small farms was the labour attached to the hand wheel; and when it is considered that it required six to eight hands to prepare and spin yarn of any of the three materials I have mentioned, sufficient for the consumption of one weaver,—this shows clearly the inexhaustible source there was for labour for every person from the age of seven to eighty years (who retained their sight and could move their hands) to earn their bread, say, one to three shillings a week without going to the parish[1]." Now though there were many counties in

destroyed the domestic industry of farming populations,

[1] Baines, *op. cit.* p. 337.

England where there were no manufacturers, and which are distinguished by Daniel de Foe as being, on that account, specially poor, the textile industries were however very generally distributed over the country. Nottingham, Derby, Stafford and Cheshire had a share of the cotton manufacture[1], of which Lancashire and the West Riding have always been the headquarters. The woollen trade of different kinds was carried on at places as far apart as Somersetshire and Yorkshire, and centred round towns as far separated as Exeter, Sudbury, Norwich, Kendal, and Whitney[2]. The linen trade had been even more generally diffused, and could be pursued to some small extent almost everywhere. But the introduction of the large system of production gathered some of these cottagers into mushroom villages, which grew into factory towns, while those who were left in the country became wholly dependent on what they could earn by irregular farm work.

and concentrated the population

in factory towns,

This had never been much; competition wages and rents had been in vogue since Tudor times, though limited by the statute of Elizabeth, and the corn laws; in so far as these laws had protected the agricultural interest at all, they had benefited not the labourer nor the farmer, but the landlord[3]. But now the labourer was obliged to bargain for a wage which would support him all the year round, as he had no other means of support: to the farmer labour became more expensive as he had to pay for the support of a man during his whole time, while the labourer was deprived of the chief opportunities for supplementing his agricultural labour by other employments. The same generation too, which

while the farm labourers were less able to support themselves.

[1] Baines, *op. cit.*

[2] *Querist*, query

[3] H. Ashworth, *and the League*, p. 159.

saw the decline of the domestic manufactures by which the labourer had so greatly increased his income, saw a new era of agricultural improvement[1], with more enclosures, combination of small holdings, and all the other phenomena with which we have been made familiar in the sixteenth century. While the labourer suffered severely through the decay of domestic industry, the cost of labour to the capitalist for purely agricultural purposes was very greatly increased: and the organisation of labour, which could be most profitably carried out on large holdings[2], came to be a matter of the first importance. Such were the steps of the depression of the labourer in rural districts.

Effects of Competition on Population.

§ 85. This tendency which was becoming so powerful in all directions, has had very marked effects on Society: to its action may be traced the wholly new character which all discussions as to the increase of population have assumed. We have not had much occasion to discuss the question of the size of the population at different times, because we have so few data on which to proceed; but we have no reason to believe that up till the middle of the fourteenth century population increased so rapidly as to present any difficulty; the slowly developing tillage, industry and trade sufficed to provide sufficient employment. So far as we can judge population did increase, but only increased in proportion to the increasing means of subsistence. Even after the

Increase in middle ages;

[1] The latter part of the eighteenth century saw the formation of many agricultural Societies, and systematic enquiries into the state of tillage in different countries and in foreign lands; as well as great undertakings like the complete drainage of the fens. Vancouver, *Cambridgeshire*, App. 1.

[2] *An inquiry into the connection between the present price of provisions, and the size of farms*, by a Farmer (1773), § 1.

changes which followed the Black Death, and the shock which Society then received, we find evidence of the existence of a considerable vagrant population, and the disturbances caused by the Wars of the Roses, the enclosures, and finally by the Civil Wars, prevented the class from being absorbed in the new industries that were opening up; there is no sufficient evidence that during the long period when the statute of Elizabeth was at least partially enforced, there was such an increase of population as to render the struggle of the industrious labourer more severe—either in consequence of a diminished remuneration for his work, or of an increased difficulty in supporting the unemployed; we have no evidence of a disproportionate increase of the people. All contemporary writers who discussed the question of population investigated the subject, because they regarded population as one of the elements which contributed most obviously to the military power and industrial resources of the country, and desired to see it increasing. This is the form which the problem took in the mind of Sir James Steuart: he is interested in tracing out the causes of the increase of population. He notices that there is a physical limit to the increase of population in the production of food, and he asks how the production of food may be increased. At first sight it might seem that the direct stimulation of agriculture was the best way to go to work; but farmers will not grow additional food unless they can by the sale of that food procure additional goods: it is the development of industry which provides a larger supply of useful wares, and thus increases the power of purchasing food: the increase of industry is the real means of moving back the physical limit to the increase of population[1].

but checks removed by industry.

[1] Steuart, *Political Economy*. Works, I. p. 35.

Removal of physical limits,

The régime of competition has developed the industrial production of this country in the most extraordinary way; any quantity of statistics could be obtained to prove this if a proof were needed; but the merest glance at the accompanying diagrams and maps will show that whether we take the exports or the revenue of the country as the basis of comparison, or look at the extension of our dependencies, English industry, on which its trade depends, has increased by leaps and bounds under the modern régime. Indeed ordinary intelligence is so dazzled by the figures that testify to the increase of our industry, that it has no power to perceive any features in our modern life which give cause for aught but gratulation.

and incentives to increase.

While the physical limit to the increase of population has thus been removed by the obtaining in an increased industry a greatly increased stimulus to the production of food, the régime of free competition has given a direct incentive to the growth of population. By the introduction of machinery the labour of children came to have a greater value, relatively to that of adults, than it had had while the statute of Elizabeth held its place; the factory hand was pecuniarily better off, if he had a large family. In rural districts the operation of poor relief was very similar.

Removal of moral restraints.

Quite as potent was the influence of the new régime in removing the motives to prudential self-restraint that had previously existed. While industry was conducted on a small scale it was possible to guess at the probable openings, and to calculate the difficulties of putting a boy out in the world. The terms on which a boy could be fitted for work were well understood and the conditions of employment fairly regular; but industry on a large scale has been industry with extraordinary fluctuations,

which gives occasional employment to a large number of hands, but finds constant work at full time for comparatively few. The opportunities for getting work when trade is good are frequent, and in bad times each must take his chance with the rest. This irregularity of employment has been most patent in the case of coal mining in recent years; but there were crises with similar effects on the labour market in the earliest days of giant industry.

Recent increase of population

The effects which followed from the removal of the physical limit, and simultaneous deadening of preventive checks, while direct incentives to the increase of population were given, were sufficiently startling. They were noted, and the course of the events of a few years generalised into an universal law by Mr Malthus. The figures from which he argued scarcely went back beyond the era of almost free competition, and as a statement of the growth of population under this condition, before and since his time, in this or other countries, his law appears to be fully justified: population tends to increase faster than the means of subsistence. But just because it is an accurate statement of the growth of population under free competition, it is a misleading description of the state of affairs during the much longer period of time and the much larger area of the world's surface where competition has been practically unknown. We can only accept this law as expressing the force of a physical tendency in human nature, if we neglect the evidence as to the difference in the rate at which population increased before and after the era of competition. Nor, even remembering the ravages of the Plague, are we at liberty to assume at once that the action of positive checks was very much more sure during the whole course of the middle ages than at the beginning of this century. If

in accordance with the law of Malthus, which is however a misleading expression for any period but one of free competition.

wars were frequent, the armies were comparatively small, and the loss of human life from this cause was not like that in a modern campaign, where the most improved instruments of destruction are in use. He would be a bold man who would say that the sanitary conditions of factory life are so much better than those of the mediaeval yeoman's, that the disease and infant mortality in the earlier time kept down the population, while it increased with startling rapidity in our own century. The effects of competition in the depression of the labourer's standard of living, and deadening of his prudence, mark such a striking change in the increase of population, that it is undesirable to attempt to include the whole course of its growth in any single formula.

Effects of relative depression

§ 86. Another way of expressing the fact that is implied in the gradual depression of the labourer is to say that the power of the labourer to satisfy his wants had not increased so much as that of other classes and that the purchasing power of labour became relatively smaller: and this depression was quite compatible with a considerable increase in the nominal wages of labour. While the peasant could keep a cow or some geese on the waste, and cut his fuel there, he was not forced to rely for his sole support on what his money could procure: still more, in those counties where the agricultural labourer could also obtain work as a weaver, he had double opportunities of employment, and was not reduced to such very low straits by the mere fluctuations of trade. Apart from the question as to the value of money, the comparison of mere wages does not give us a sound basis for conclusions: it must be remembered that rates of wages at present do, and a hundred years ago did not[1], represent the labourer's entire power of

[1] His neglect of this fact, and reliance on seventeenth century

satisfying his wants.) Nominal wages may rise, and yet the labourer's power of buying what he needs be diminished. However this may have been the power of the labourer to satisfy his wants has not increased so fast as the power of the Capitalist to satisfy his. In so far as this repression of the labourer has taken place, the effective demand for our commodities at home has not increased in accordance with the requirements of the increasing population. *on the home demand.*

In former days when the direction of trade was subordinated to political considerations, it was deemed a matter of great importance that the country should be self-sufficing: that is to say, that its wants should be supplied from its own resources, so that its wealth might be as little as possible affected by the state of its relations with other lands. This was one of the chief reasons why attempts were made to protect the agricultural interest, so that we might always be able to count upon a supply of food however much our shipping was attacked. So too Daniel de Foe remarked on the strong position of our manufacturing interest, because all the materials of our chief industries were obtained from our own land or our colonies. In the course of time, however, the regulations by which this self-sufficiency was maintained were found to work so badly that they were gradually repealed —the corn laws holding their place for the longest period. *The former self-sufficiency of our country*

Had the effective demand of our labouring classes grown rapidly with their increasing numbers, capital would have been called into the direction of supplying

statistics, the inaccuracy of which has been pointed out above, lead me to distrust Macaulay's (*History*, I. 418) picture of the labourer in 1685. Undoubtedly trade was far less brisk then, and the labourer worse off than forty years later.

their wants: instead of this the increased demand for our goods has come from abroad. This world-wide demand has been so great as to give an extraordinary stimulus to particular branches of trade, but the effect has been that English capital has flowed, and drawn English labour in its stream, into the directions that were pointed out by the demands of foreign countries, not by the demand of our own. And this has introduced an extraordinary degree of instability into all our industries: the state of our chief trades depends directly and immediately on circumstances which lie as completely beyond our control as the state of the weather. Depending as our manufacturers do, not only for a sale, but for materials and food on foreign countries, any social change in foreign lands or rupture between foreign countries, may be a most serious matter. In older days the policy of our country determined the direction of our trade: in the present generation there is a danger lest the needs of our trade should reconcile us to a policy that has for its sole object the avoidance of disturbances, which, in the interests of our industry, it would be recklessness to face. The civil war in the States opened our eyes to the dependence of one great branch of our trade on that country: a quarrel with any European power might seriously endanger our food supply: while there is hardly a petty quarrel in any distant region which does not affect the demand for our goods. Just because England has come to be the workshop of the world, she is no longer self-sufficing nor mistress of her own fate. This has been very prominently borne on most minds—even during a period of peace—by the hostile tariffs of other countries and their effect on our trade. However true it may be that such tariffs affect the wealth of the country that imposes them more than they affect ourselves, this is comparatively

has given place to extraordinary instability

through our commercial dependence on other lands.

beside the mark, so long as they inflict and are likely to continue to inflict a very serious blow upon the industries by which we live.

But without taking any pessimist view of our future, we must yet notice the uncertainty which our dependence on distant markets introduces into our trade. It is difficult for individual manufacturers to forecast the course of events so as to adapt the production to a world-wide demand: and therefore we are forced to produce as largely as possible so as to enlarge our sales by the cheapness of our goods. We are constantly suffering, not indeed from over-production, but from ill-judged production, and the result has been that uncertainty of employment and fluctuations of wages have been constantly affecting our labouring population for many years past. Few things can be so demoralising as the frequent change from comparative plenty to extreme poverty, and yet this is the condition under which masses of our labouring people habitually live. It is easy to ridicule the extravagancies of miners, and equally easy to moralise on the improvidence of the poor: but considering that they have been reared in a chronic condition of uncertainty, where there is little or no opportunity for acquiring the *habit of regular* saving, we are justified in saying that their improvidence is more their misfortune than their fault.

Ill-judged production

The attempt to maintain our trade and increase it by supplying our goods at lower prices, has had other injurious effects. "It is certainly a wrong maxim which some People dogmatise so very much upon, *viz.* that it is the general Interest of this Nation to reduce the Price of their Manufacture. It is true there are some old Notions which chime in with this Piece of trading Policy, viz. that the Cheapness causes Consumption, and that by under-

and too cheap production

selling other Nations we shall carry away the Trade from them: and there is something popular in the Notion too; But it will not hold in all cases, and particularly not in our Manufacture. *First*, I insist, that if you would reduce the price of our Manufacture, by reducing the Wages of the Poor, who are the Workers or Manufacturers, it is not possible but that you will reduce the Value and Goodness of the Manufacture. If you expect the Poor should work cheaper, and not perform their work slighter and more overly, as we call it, and superficially you expect what is not in the Nature of the Thing[1].

"This therefore is beginning at the wrong End of Trade; but the true Way is, keep up the Goodness of your Manufacture, so as to excell in Quality, and its exceeding in Price will be no Deficiency in Trade. Let your Manufacture gain the Credit of the best in the World of its kind, it shall accordingly bear the best Price of any in the World and yet be cheap too: that is, it shall be cheap of the Price tho' not under Price[2]." As a matter of fact the "notions" which Daniel de Foe despised as 'old' have continued to be 'popular' with precisely the results he predicted. We have offered our goods cheap, but the phrase "good cheap" has dropped out of our vocabulary altogether. The decline of our iron trade with the Continent and the States, and of our exportation of cotton goods to India is not unconnected with this cause.

injurious to trade.

[1] A paragraph here following, as to the ill effect on the prices of corn and rents, adds, "The Poor cannot earn little and spend much: the End of that is starving and misery." But the argument assumes the dependence of our labourers on Home Production for the staple of their supply: it was confirmed by the miserable condition of the Agricultural Interest so long as they were thus dependent.

[2] D. de Foe, *Plan of the English Commerce*, p. 59.

All these pressing difficulties, in regard to the growth of our population, and the instability of our industry and trade are indirectly, but not remotely, connected as its effects, with the relative depression of the labourers. "We are verily guilty concerning our brother, therefore is this distress come upon us."

Brilliant results of private enterprise

§ 87. We have spoken of the modern era as one of almost free competition: it might have been also described as the era when there has been a free field for private enterprise: the man with a clear head and a keen judgment has been able to distance all competitors, and it is because England has possessed so many such men, and has reached a phase of her industrial life where they have the greatest opportunities for using these talents that she has made such extraordinary advances in wealth. The accumulation of capital, and the facilities afforded by credit, have rendered it possible for men to try any new employment that appeared to offer a fair prospect of remuneration. New expedients in agriculture, valuable manufactures from substances that seemed to be only waste, new lines of trading that have opened up new markets for our goods, have been introduced and established; this could not have been done to the same extent if capital had not flowed freely, and labour followed, with no legal restraint into the directions which commended themselves to sound business judgment. It was our position in this respect that made it possible for us to inaugurate a free-trade policy: the economic advantage of that policy—which would be more clearly seen the more generally it is adopted, but which is none the less real in our own case—arises from the fact that by throwing our energies into the production of those commodities which we can produce most easily, we can buy the other articles which we need to use with a less expenditure of labour and

in opening up

the most profitable industries,

capital than if we made them for ourselves. If social or other circumstances prevent a country from specialising, and cultivating the industry for the development of which it is most fitted, it is not obvious that it would gain by adopting a free-trade policy unless this came to be the practice of all other nations[1]. But by the beginning of this century our social life had entered on a phase where it was possible for us to cultivate our most profitable industries, and neglect others that might be as necessary for the support of life but which could be more gainfully carried on in other lands; private enterprise has been given such free play by the State as to become the guiding power in seeking out and developing the most profitable industries.

but limitation of its scope

There is however a considerable body of evidence to show that this power is on the wane; not because of any decline in our national energy, but because the scope for private enterprise is being limited. Whether, as is alleged, because of the increased cost of production, or as others urge through the waste caused by reckless speculation, the margin of profit in many departments of trade is exceedingly small; poor men may rush in with other people's capital where millionaires fear to use their own, but the incentive to open up new paths is not so great as it once was.

[1] With a perfectly free trade it would probably be impossible for any country to refrain from specialising, while the country that was economically strongest would certainly gain at the expense of others, as it would have an advantage in all the bargains of international trade. One land would then manufacture and another produce raw materials, so that under a continued régime of perfect free trade, no nation would be likely to consist permanently of a mingled population, of whom a large part were engaged in tillage, and another large part were in manufacturing; see above, p. 271.

Besides this, the intervention of the State to protect the labourers from overwork, to enforce education, and to diminish the risks of loss of life on sea and land, have imposed restrictions on the free action of capital. These restrictions have their ground in widely diffused moral sentiments, and we cannot anticipate any removal of the hindrances they impose on the free play of private enterprise. *and interference of the State;*

Farther evidence that the power of private enterprise as an effective industrial agency is on the wane, may be derived from observing the cases where it is being undersold. The struggle for existence is very keen, and there are many ways in which the Capitalist is compelled to go to great expense if he wishes to hold his own against his rivals, not to speak of increasing his trade. Such for example are the enormous expenses of advertising to which manufacturers are put, and the waste from exposing their goods, and decorating their fronts, which affects the profits of many retail dealers; owing to expenses of this kind, which their system enables them to avoid, the great Co-operative Stores undersell the ordinary London retail dealers. Private enterprise can no longer provide the best channels for the distribution of wares. *so that it is undersold* *by trading associations,*

And enormous as has been its success in developing new lines of industry, it may be doubted whether it shows the same superiority in maintaining them. The scale on which business is now carried on is so great that private individuals have a difficulty in coping with work that can be best undertaken by public companies. The railway system of this country is not due to individual enterprise; and its management and development is guided by the skill and energy of many, who are not immediately interested in the rate of profit, but are doing their best as *public companies,*

diligent servants. Every one of the frequent changes which tells us of the conversion of private firms into public companies shows a disposition to trust less to the enterprise of individuals working for their own profit, and more to the good organisation and steady care of paid managers and other employées.

and the employment of State capital.

There have been other cases where public capital—the wealth of the State—has been used to take over private or joint-stock undertakings. Such was the recent acquisition of the telegraph system with results that have so far proved eminently satisfactory. There are other great works which can only be undertaken profitably by the State. The State, as a great corporation which never dies, can afford to lie out of its money for a greater length of time than the individual can, and to look for a very distant and very indirect return for capital expended. By creating docks, it may develope a trade which will repay the original outlay from the additional customs, and so too by making roads or railways which open up a country: it is on this principle that the Government of India has proceeded in its Public Works. In such cases we may see private enterprise outstripped in the very field in which it has had its greatest success. There are times when individual enterprise cannot open up the resources of a country, even though the task may be remuneratively undertaken by Public Servants, with Capital procured by the State.

Political power of moneyed interest declining.

When we see that the force of free competition and individual enterprise is being beaten on its own best ground, we cannot but feel that this great industrial power is fast becoming, so far as the English people are concerned, a thing of the past: one further fact may confirm this opinion. We may recall the connexion which Harrington traced between balance of power and

the balance of wealth. In his time the landed interest was the wealthy interest and therefore the powerful interest; in the eighteenth century the moneyed interest began to overbalance the landed and contest the reins of power: but it was not till 1832 that the triumph of the middle class was secured by the first Reform Bill. Capital had now an influence in the State which was resented by the multitudes whose bread depended on the bargains they could make with their masters: the political power of Capitalists had passed its zenith when a Parliament was elected which passed the Employers' Liability Act. The landed interest had endeavoured to maintain itself by threats; and the moneyed interest has sought by bribery to retain the power which it could at first only acquire by similar corrupt means[1]; but the present generation have none the less seen, not only the decline of private enterprise as an individual factor, but the decay of its political influence as well.

§ 88. When we consider the social results of the era of free competition and note the decline of the industrial force to which we owe our manufacturing and commercial pre-eminence, there seems to be some cause for grave apprehension, and we cannot but scan our present circumstances with anxiety to see if we can gather any possible indications as to what the future may have in store for us.

Forecasts from the present viewed in the light of the past.

Only from an attentive study of the affairs of our own generation can we really hope to forecast the future: it is in our own day that tendencies may be seen in active operation which will mould the course of the future. The history of the past can but give us a clue as to the direction which coming changes may be expected to

[1] D. de Foe. *Freeholders' Plea*, 170.

take; for there is no mechanical uniformity like that of physical nature in the course of human history. We can never reach a general law from the general experience of the past which will help us to predict the future. We may at best, in looking at the history of our land find some sort of law of the development there, which may help us in guessing as to the next term of the series. History never repeats itself; each age has new problems to face which it must solve for itself; if we ever foresee a little, it is because in comparing the past with the present, we can trace in some part of our social system the symptoms of decay, or notice elsewhere a shoot that is healthy and may flourish. Since the story of human societies tells us of growth or of decay, and never shows a mechanical regularity, we cannot assume a uniformity, such as gives their basis to all the inductions of physical science, and which forms the fundamental assumption on which all explanations of material phenomena rest. But while we thus discard this assumption of uniformity, we may notice that we do not require it in order to explain the phenomena of History: in the physical sphere we only call one event the cause of another, because it is an invariable antecedent of some change, only because it is an invariable condition do we know it is causally connected, only by comparison with many other instances can we detect the cause of any one event. In History, where the efficient causes of each change have been the resolutions and aspirations of some man, or groups of men, or masses of men, we can detect the true cause of any particular event by studying the special motives which influenced these particular men, in their own particular time and place. The comparison of many other instances does not lead us nearer a *vera causa*, for in History that is given to us

Law not of uniformity, but of a series.

Generalisation

unnecessary and

in each case by direct evidence; in physical science it is merely inferred, by a comparison of many instances, and an elimination of all the casual accompaniments, till at length we find the causal conditions of such events. In physical science we analyse phenomena in order to discover which of many conditions are invariable and therefore causal: but to compare many instances in History is not a necessary step in the search for causes, as in that study the causal conditions are already known. Wide generalisations as to common characteristics of many similar occurrences may only be superficial resemblances after all, or vague assertions that do not add to our knowledge. "All history teaches us," as newspaper writers are constantly saying—and no doubt they have a right to speak if they know "all history"—that, *e.g.* all revolutions are preceded by discontent; but such a fact of universal experience, just because it is universal, has no particular worth. Before we can admit the force of the teaching of all history on any social problem in the present, we must know how far the conditions of any one occurrence in the past, are so far identical with those of our own day as to render the experience of that age relevant to the circumstances of the present.

uninstructive in History.

If however we pursue this patient method of the careful study of the actual life of byegone times the story of the past may indeed be most useful to us in many ways, even though it cannot serve as a basis from which to gather the laws of human progress or detect general rules for our guidance. There are many cases in ordinary life where we content ourselves with analogies, and argue from one particular instance to another that is somewhat similar; and it is by providing us with a number of analogies, each of which is more or

Real value

less instructive, that the experience of the past may be useful in the exigencies of the present.

of experience of past, which cannot however be imitated

But even so the story of the past will aid us more frequently by giving us warning of the lines of action that must end in failure, than by setting before us examples of success which we can imitate in our own day. It can show us what has given way before the institutions of the present, but not what will take their place. All that was most admirable in the past is beyond our reach; the man may regret the delights of childhood, but he cannot enjoy them again, and what has been outgrown by a developing society can never be re-introduced. For the past can never be recalled: the ages have gone by with their good and their struggles; we may admire them, but we cannot call them back. They lived the life of which we read, and just because their life is a thing we dissect and study it is a thing we cannot live[1]. Nor can we, as we would so often wish to do, take any part of their life and graft it into our own; it cannot be severed from the stem where it grew, nor flourish in the atmosphere to which we are used. So certainly we have seen in tracing our commercial and industrial history. The industrial institutions of each age were necessarily connected with the circumstances and culture of that age: the local privileges, the early statutes, the craft gilds, the regulated companies, were the forms which human resources took for satisfying human wants at different times; but each of them grew in the particular time for which it was fitted, and each has passed away when its time was gone; and the new circumstances of our ages must give rise to new industrial forms.

or reproduced.

[1] So all that the old Dukes had been without knowing it,
This Duke would fain know he was without being it.
BROWNING, IV. 241.

There have been noted above some reasons which render it probable that the era of free competition and private enterprise is passing away; but attention has not yet been directed to the increasing development of combination for common ends. It can hardly be a sentimental reaction against the excesses of free competition, and the putting forth individual energy for the sake of individual gain, that shows itself in so many directions, and with such marked success. It is rather the experience that more can be accomplished by combinations of different kinds than by individual enterprise and competition, which is giving it a new footing: (combination and organisation are a better way of procuring desired results than the system now in vogue.) Of this a hint has already been given in noting how individual enterprise is being undersold in different directions by Co-operative Societies, by limited companies or by the State; but we may look at the matter a little more closely.

Power of combination

in Co-operative Societies;

Combinations by a larger or smaller number of persons have been tried for all sorts of different economic objects, and with considerable if not unchecked success. The powers of attention to detail and organisation which are required by a really good housekeeper have not been very generally bestowed: and if the individual manager procures in many families the ideal result, there is yet room for the saving of power, and better organisation of labour which can be attained by co-operative house-keeping. So too the movement which began in Rochdale and Leeds with a few workmen combining to procure themselves some unadulterated flour, has resulted in a network of trading institutions which supply the wants of their members on better terms than can be done by the private enterprise of retailers. Some years may elapse before the tentative efforts at co-operative manufacturing

in housekeeping

in storekeeping

in manufacturing

shall demonstrate their success as plainly; but the failures hitherto may be taken as lessons rather than as giving any serious ground for discouragement as to the ultimate result. But of all combinations[1], none have shown themselves so powerful, and none seem to offer greater possibilities for the future than Trades-unions: (at first existing as little more than weapons for defensive warfare against the depressing influence of Capital, they now form the most valuable of Friendly Societies, they have come to aim at the positive regulation of trade, and at thus introducing that stability in which our industrial system is at present so lamentably deficient. To maintain regular and reasonable wage for the labourer would be an enormous social gain; but there is a still more difficult task which, if they have not ignored it, they have made no serious effort to accomplish. It is impossible to maintain a standard of fair pay, unless one can also maintain a standard quality of work; it is impossible to raise the rate of pay unless we can increase the skill and diligence of the artisan, and thus turn out better goods in less time. If the Unions can successfully grapple with the evil of bad work, they will do much to correct the second disease that has infected our industry under the régime of free competition. Thus too would they secure their position by demonstrating their ability to manage our industry more successfully than has been done by competing capitalists.

for Trade purposes,

There is another direction in which much might be accomplished by traders who tried to make the most of the improved means of acquiring information which have been provided by the telegraph. The old system of reasonable prices could be kept up as long as the

[1] For the growth of Trades Unions, and a full account of the oppressive statutes of the last, and of the present century, see Mr George Howell's *Conflicts of Capital and Labour*, pp. 79—146.

conditions of production remained but little altered: the growth of trade came at length to open up distant markets, to introduce raw materials, or new productions, and thus to cause great difficulty in calculating the price of any commodity, and far more in fixing it for any period of time. The constant course of invention and discovery have tended in the same direction by rendering the products of distant markets more accessible; and each such change has brought about an alteration in the rates of prices. But after all this cannot go on without limit; the world is but a small planet after all, and as the economic possibilities of the whole world come to be better understood, these disturbances may begin to diminish. It is possible for dealers to calculate the total supply of corn or cotton in the world, and to use that knowledge for their own private gain: and there is no reason why the possibilities of world wide supply, and probabilities of world wide demand, should not be so calculated as to decrease the sudden fluctuations of prices, and irregularities in production. During any period of general peace among civilized nations, it ought to be possible for producers in any country, acting in concert, like the 'good men' of the old crafts, so to estimate these conditions as to get rid of many of the elements which cause sudden disturbances, and thus to come nearer a state of commercial life where prices should be reasonably calculated with reference to cost, not determined from moment to moment by competition. There is scarcely any sign as yet of attempts to calculate, and thus not to regulate but, to render more regular the rates of prices; but there is most hope of its accomplishment by the action of many men who have in self-defence combined to put down the vagaries of speculators.

for rendering prices more regular.

State capital

So far of combinations voluntarily formed for some definite industrial purpose: but the most striking progress in this direction may be made if the State shall continue to undertake new industrial and commercial functions, and thus to supplant private enterprise. In regard to this matter, a good deal of jealousy is felt: centralisation is alien to English ideas, and neither the Privy Council of James I. and his son, nor the Parliaments of following reigns showed themselves very successful in regulating trade. But to undertake the control of everybody else's business is one thing, and to start and carry on a business of one's own is another: it is only proposed that the State should use National Capital for carrying out undertakings which offer a prospect of being fairly remunerative, and which can be better carried out by the State than by private enterprise. That there are such undertakings has been already shown, where public works form an investment from which the State gains an increased revenue eventually, and perhaps after lying out of the capital for a considerable time: but still the undertaking pays. The real danger is that some government might allow themselves to undertake works which may be ornamental or beneficial, but which can never be remunerative to any appreciable extent. A simple canon may be suggested—which is much more easy to express than it can ever be to apply. When the State is petitioned to carry out an undertaking which will not pay in private hands, it may fairly proceed with one that offers a real prospect of remuneration but in a form which would not accrue to, or at a distance which would not suit the private individual: but it has no right to enter on schemes which may prove beneficent, because it can afford to bear the loss. We have lost much of the scrupulousness of the men of the eighteenth century who were shocked at

may be remuneratively employed where private capital would not earn a profit,

the burden of debt they were handing down to future generations. It is not honest to be charitable with other people's money, and it can never be just to gratify our beneficent instincts at the risk of entailing a heavy burden on our successors—not impossibly, on less prosperous successors. Perhaps the warning is more strongly needed at present by municipalities than by the State: ornamental drives and promenades, art galleries and libraries may be most beneficial, and are splendid objects for a philanthropist to bestow: but except in so far as it can be shown that they are remunerative[1], their maintenance can hardly be fairly charged to the rates.

but is sometimes unwarrantably used for benevolent or pleasurable purposes.

There are thus many directions in which combinations of one type or another can accomplish more at less cost than can be now done by private enterprise. There are doubtless many employments where this is not the case and where private enterprise may continue in possession of the field; but combination and co-operation are getting possession of many points, and can maintain themselves in the positions they have won: for our day they are the fittest and they will survive. Free competition was a better method than State direction for supplying the wants of the nation, and slowly but surely took its place; but it too is passing away in its turn as men are finding better means for accomplishing similar ends.

Gradual elimination of private enterprise

For the gradual establishment of a better industrial system we may look hopefully; it may be forming itself slowly but it is building itself firmly on an unassailable basis as the best industrial system for the time, and it is being adopted just because it is economically better than the one that is on the wane: herein lies its strength and

by combination as a better industrial system for the present day.

[1] As a pier may be at a watering-place by attracting visitors, or an art-gallery in a manufacturing town as improving the tastefulness of the productions.

stability. And if we despair over the slow growth of the new industrial life that is natural to our generation, at least let us abstain from trying to introduce fragments of a system which proved itself a failure by passing away, and received a crushing refutation at the hands of Time. We cannot after the experience of last century revert to protection as a means of giving even a healthy stimulus, not to speak of a permanent footing, to any weakly trade. Nor does it seem desirable to take measures for the perpetuation of any particular class in the community which cannot maintain itself as a class, but is melting away towards other employments or distant lands: peasant proprietors and farmers who shall owe their existence, as a class, not to their ability to outbid larger capitalists, and to work the land better, but to the policy of the House of Commons, will hardly be well prepared to fight their way through the great struggle with which our agriculture is threatened. It is Capital that is really fluid and able to adapt itself to new conditions; it is the large capitalist—the successor of those in whose favour the yeomen of the sixteenth century were evicted—who will be best able to change the methods of his culture and the kind of produce he raises. A great agricultural revolution must always cause misery, and it causes least when it is so gradual that it is hardly marked. The sudden introduction of capitalist farming undoubtedly caused great misery in England: but it was better to be induced to give up the three-field system and the tiny holdings by the incentive of rapid gain from sheep-farming, than to have maintained the wasteful open fields as a matter of policy, and been forced to revolutionise our agricultural system by the strain of ruinous competition. Small holdings passed away because tenants who could cultivate larger farms could produce more wealth at less cost. The one

Error of retrogression to a system of protection,

or to peasant proprietorship

on small holdings.

system depends for success on diligent labour with small capital, the other on large capital with superintended labour, and capital won the day in an open struggle. Nor are there any signs that under changed conditions diligent labour can succeed where large capital is sorely pressed: small holdings exist, but cannot be said to flourish, in such different counties as Cumberland, Northumberland, and Cambridgeshire[1]. Small holdings in this country have been condemned by the course of events, and we dare not revert to them here, though we have not scrupled to inflict a real grievance on the people[2] of Ireland by treating her as a *corpus vile* on which to experiment in the management of land.

The enterprise of private capitalists long since overtook the skill of diligent labour in the race for wealth, and now it seems as if private capital were being outdone by public companies, and State capital; but there is no indication that under changed circumstances the effective force of labour applying small portions of stock can maintain itself in competition with these gigantic undertakings. For the State to encourage any class to cling to antiquated methods of industry may be a benevolently intended attempt, but it has little promise for the future: while on the other hand the new forms of combination for common objects can claim, as an evidence of their stability, that they have won their way themselves. And after all they are not wholly new;

[1] The condition of the small holdings in Cardiganshire and other parts of Wales is much more flourishing; but it is well worth attention that domestic spinning, and blanket weaving in the Principality, have not yet been destroyed by the competition of large manufacturers.

[2] Who are not well prepared for such experiments. Bp. Berkeley, *Querist*, query 357.

only new ways in which Society tries to preserve itself against the self-seeking of individuals.

The Old Social organisation

There was a time when each of the traders who first conducted the bartering throughout the country, could use his advantage to obtain enormous gains on each transaction. It was no slight benefit to Englishmen when under the influence of royal power, and by means of voluntary association for a common good, there came to be bodies of traders, who had to deal at reasonable rates. Since that old system decayed, the capitalists whose enterprise has given us connexions with all the known world, and enabled us to adapt new natural powers and products to our use, have gained enormously: but as we look round on our present condition, we may well hope that a new social organisation will grow—not now instituted by royal authority, but winning its way and maintaining itself by its own fitness—which by the completeness of its organisation of skill, and the forethought of its calculations, will once more give us a régime of reasonable prices and a reasonable wage.

and the New.

APPENDIX I.

I. FLETA, SEU COMMENTARIUS JURIS ANGLICANI SIC NUNCUPATUS SUB EDWARDO PRIMO. II.[1]

De officio Ballivi. CAP. 73.

BAllivus autem cujuscunque manerii esse debet in verbo verax, & in opere diligens ac fidelis, ac pro discreto appruatore cognitus, plegiatus, & electus, qui de communioribus legibus pro tanto officio sufficienter se cognoscat, & quòd sit ita justus, quòd ob vindictam vel cupiditatem non quærat versus tenentes domini, vel aliquos sibi subditos, occasiones injustas, per quas destrui debeant, seu graviter amerciari. Caveat autem sibi à vitio pigritiæ redargui; surgat ergo mane, nè tepidus videatur, vel remissus, & carucas inprimis jungi faciat, deinde campos, boscos, prata, pasturasque ambiat & aspiciat, nè inde dampna fiant in auroris. § 2. Facto siquidem suo circuitu carucas dominicas adeat, custumarias, & adjutrices, prospiciens quod antequam dietam suam plenè paraverint, minimè dis-jungentur, alioquin cadit in compoto. In initio igitur temporis seminandi, & rebinandi, conjunctim sint cum carucis ballivus, præpositus, & messor per totam dietam, donec aruras suas legitimè compleverint, quantum videl' ad unum diem pertinebit, & quòd omnes se intromittant, quòd carucarii diligenter & bene suas faciant operationes, & qualiter eo die expediverint, statim dis-junctis carucis videant per mensuram: & nisi ipsi carucarii rationabiles prætenderint excusationes de aruris suis,

[1] Printed from Selden's Edition, 1647.

secundùm aruram illius dietæ, tenentur reddere rationem. Et nihilominus facta eorum & defectus sæpe ac sæpius expedit supervidere, & videre per messorem, nè hujusmodi defectus remaneant non correcti & impuniti. Et notandum, quod caruca boum, cum duobus equis tantum expediet, quantum tota cum equis, præterquam in terra litorea & petrosa, quæ pedibus boum gravis est & impediosa, tum quia equus plus sumit & expendit, tum quia carucarii & fugatores extra passum ire consuetum secundùm usum boum grave videtur, tum quia caruca boum in terra gravi præcedet, ubi equina remanebit. § 3. Qualiter verò equus magis quàm bos est sumptuosus, videndum est & sciendum, quòd omnis bos vel vacca ad laborem carucæ deputata, à festo sancti Lucæ, usque ad festum Inventionis sanctæ Crucis per xxviii. septimanas, ex cómmuni consuetudine ad præsepe custoditur. Equus autem si in statu laborandi debeat observari, de sexta parte busselli avenæ de pretio ob' singulis noctibus oportebit ipsum præbendari, & ex xii. denar' herbagii ad minus æstivali tempore refocillari, & quolibet mensè denariatus sibi competet ferramenti, quorum summa est xi. sol'. vi. den'. præter estoveria foragii, & eschaetarum bladi. Bos verò de tribus & dimid' mensur' avenæ, de quibus x. faciunt bussel', sufficienter poterit quâlibet septimanâ sustentari, unde summa ii. sol'. vi. den' in toto. Equus etiam cum senectute vel labore convincatur, de pelle tantum correspondet, sed de bove secus erit; nam cum decem denariatis herbagii salvari poterit dominus indempnis, vel ferè, ut, si pro labore non sufficiat, interfici poterit, & per venditionem carnis carnificibus, & pellis, & hujusmodi, per particulas poterunt primi custus, vel ferè, domino restitui, & sic poterit dominus indempnis vel quasi observari. § 4. Item super-videre debet ballivus falcatores, messores, carriatores, operarios, & ministros manerii universos, quod quilibet quod suum fuerit justè debitéque prosequatur; nec legalius, subtiliusve ad commodum domini, quàm per competentes mias, quotiescunque transgressi fuerint, poterunt castigari, monitionibus tractabilibus intervenientibus. § 5. Faciant igitur circumspectè terras dominicas, marlari, compastari, de

ovili faldari, appruari, & emendari, ut sensuum suorum abundantia per effectum operis liquere valeat universis. § 6. Nec permittat equos, vel affros carucarum, vel carectarum, ab aliquo majore vel minore, per crebras & indebitas equitaturas impunè vexari, sed quòd ipsi simul cum aliis pecoribus bene custodiantur, nè per negligentiam vel pigritiem de debitis puturis & præbendis suis quicquam amittant, vel subcontrahatur ab eisdem. § 7. Nec liceat ballivo pro villenagiis proximis hæred', aut aliis liberand', vel pro releviis, seu maritagiis fines capere, vel placitum tenere de aliquo, quod tangat liberum tenementum, feodum, vel libertatem, nec etiam furniandi sibi liceat, vel braciandi in manerio, nisi dominus præsens extiterit. § 8. Item, nec sit ballivus ad mensam domini, sed sub certis vadiis quotidianis victus sibi constituatur. § 9. Sæpe videat ballivus trituratores in grangiis, qui si purè granum à palea non separaverint, illum iterum puriùs faciat triturari, nè grana in palea remanentia, in fimo agris disperso germinent, in tegminéve domorum: Foragium autem tassari faciat & co-operiri, cujus eschaetæ, prout collectæ fuerint, in luto plateis, & itineribus projiciantur ad fimum nutriend', quod multò magis ad commodum domini sic deveniet, quàm si ad venditionem devolveretur: Stubula verò in terra requiescat, nec plus inde tollatur, nisi quod pro reparatione domorum Cur' fuerit necessarium, & residuum per carucam subvertatur. § 10. Mense autem April', tempore videl' quo omnia aperiuntur, warectandi erit tempus idoneum & amœnum, cum terra fregerit post carucam; rebinnandi verò post festum Nativitatis sancti Johannis Baptistæ, cum terra pullulaverit post carucam. § 11. Ad seminand' autem cum terra fuerit assessa, & non concava: sed omnis colonus temporis congruitatem singulis minimè poterit vicibus expectare. § 12. Videat etiam ballivus, nè ad expeditionem carucariorum per minus amplos radios depereat cultura, vel alio quovis modo durante exarando. Et cum bona terra arari debeat pro warectlo caveant sibi carucarii, ne malam terram perversè arando attingant; sed per radium quadratum terram bonam advertant, dum tamen profundam, ita quòd terra rectis co-operta

vel disco-operta non remaneat. Et cum tempus affuerit rebinandi, nè profundo arent, carucariis inhibeatur; sed levis sit carucæ cursus, saltem ad herbarum & radicum destructionem: nam si tempus pluviosum supervenerit, & per profundam aruram fiat terra mollis & aquatica, & tempus venerit seminandi, caruca tunc ad aliquam terram certam attingere non valebit; sed erit caruca tanquam lutosa: faciant ergo radios suos leves in rebinando, ut profundiùs per duorum digitorum largitatem attingere valeant in seminando, per quod caruca à luto deliberari valeat, & mundari, & pulchram bonamque faciat aruram. § 13. Cum autem tempus advenerit seminandi, non permittat ballivus largos, sed spissos minutos, beneque conjunctos radios arari, per quod semen æquiùs cadere valeat in eisdem: nam radiis largè aratis, & semine projecto, herciaque superveniente, statim sit discensus seminis inter duos radios per herciæ tractum, & summitas terræ inter ipsos radios habita, detecta, & tanquam sterilis remanebit, quod tempore segetum ab uno capite in aliud respiciendo ad oculum manifestiùs apparebit. § 14. Si quid autem bladi remanserit post seminationem agrorum, id prudenter granario retornetur, vel granatarius in compoto de facili poterit titubare. § 15. Si autem terra deorsum seminari debeat, terram exaltari & minimè arari oportebit, & terra per carucam aliquantulum elevata, sub pede carucarii sinistro ultimum radium arando subvertatur & prosternatur, ut ultimus radius perinde districtior habeatur. § 16. Item videat ballivus, quòd maturè incipiat seminare, ut ante adventum magni algoris, magnique gelu, & yemis gramina suas expanderint radices. § 17. Nam si tardè secare fecerit, & effusio pluviæ infra octo dies sequentes discenderit, & illico supervenerit gelu durabile, quantumcunque aqua terræ concavitatem fuerit ingressa, gelu penetrabit, per cujus si perseveraverit per triduum vel ampliùs, possibile est hujusmodi grana tenera & aquosa germinata & pullulata omnino deperire. § 18. Et sciend', quòd duæ sunt terræ, quæ maturè debent seminari ad semen præcipuè quadragesimale, terra, viz. marlosa, & terra lapidea, nè fortè per fervidum marcium dampnum contingat, & impedimentum per minimam duri-

tiam vel nimiam concavitatem; & ideo tempestivè debent hujusmodi terræ seminari, ut per sappum & virtutem yemis naturale recipiant nutrimentum: Terras autem molles & sabulonosas non est necesse maturè seminare, eo quod hujusmodi terræ temporibus pluviosis ex consuetudine subvertuntur per aruras; sed terras aquosas, & de marisco necessarium est optimè fodere & radiare, & radios aptè purgare, nè semen humi projectum, per impetum aquæ submergatur. Terras verò steriles, & quasi derelictas semine genecti vehementer expedit seminare. § 19. Et notandum, quòd semen hyemale in eadem terra aqua venit projectum, sicuti aliud faceret de partibus remotis quæsitum nullatenus abundabit: faciat igitur quivis discretus semen sibi emi hyemale, ut copiosior eveniet usus fructus. De semine verò proprio quadragesimali seminentur terræ domini, nisi propter fori facilitatem hoc fuerit omissum. Nulli ballivo sit vile, si de rebus domini dominum possit appruare, ut de suis ordeis braseum, de lanis pannum, de linis telas, & hujusmodi fieri; vel si equum, pullum, vel palefretum de furfure, fabisque educi, faciatque nutriri, vel alia quæ commoditatis domini respiciant incrementum. § 20. Item vivaria, stagna, lacus, servoria, & hujusmodi, piscarias suas quisque discretus bresmys & perchiis faciat instaurari; sed non de lupis aquaticis, tenchiis, vel anguillis, qui effusionem piscium nituntur devorare. § 21. Item potestas habere posternas in omni Cur' totaliter inhibeatur, sed unicus sit ingressus. Et in omnibus instauro equarum, emissariorum, cignorum, & apium, quisque studeat instaurare. § 22. Et in fine de omnibus officiis sibi subditis intromittere se debet diligenter, nè per dissimulationem, & negligentiam suam, & impudentiam ministrorum in pœnam compoti merito debeat condempnari.

De Præposito. Cap. 76.

PRæpositus autem tanquam appruator & cultor optimus per villatam electus ad præpositurarn domino, vel ejus Sen' palam debet præsentari, cui injungatur officium illud indilaté. Non ergo sit piger vel somnolentus, sed efficaciter &

continuè commodum domini adipisci nitatur, & exarare, carucasque intrinsecas & extrinsecas mane conjungi, terrasque conjunctim & purè arari, puroque semine, nec minus sparsè dispergi faciat & seminari, fimum etiam nutriri & co-adunari, ad sterculinium cum terra fimumque mixtum faciat exaltari. § 2. Aream etiam b'cariæ cum marla, seu fossatorum mundatione, vel saltem terra bona quâlibet faciat quindenâ marlari, desuperque straminari. Et cum de residuo straminis bestiis non necessarii, & plateis lut' projećt' fimus superfuerit, illum ante Martii siccitatem colligi faciat, & nutriri, qui cum cariari debeat ad rura, cum cariatoribus præsens existat Præpositus totâ die, ut sine fictitia dietam finiant & laborent, & secundùm laborem illius dietæ debet futurus labor expediri, allocari, alioquin etiam in compoto cadent; & quod de istis dicitur, dici poterit de cariatoribus universis. § 3. Terra autem sabulonosa fimo puro non fimoretur, sed cum terra optimè permisceantur; hujusmodi enim terra respectivè quodammodo calida est, fimusque purus calidus, & tempus æstivale fervidum: mixtis ergo caliditatibus, ordea per consequens possibile est marci sci: expedit igitur fimum hujusmodi terra misceri. § 4. Ex rore namque ex naturali frigiditate hujusmodi terræ mixtæ horis vespertinis generata procreatur segetibus nutrimentum; fimus verò purus in rure dispersus, ultra duos vel tres annos, secundùm quod terra fuerit frigida vel calida, minimè durabit. Mixtus autem in duplo licet tantam non habeat substantiam, vel virtutem; marla autem durabilior est, eo quod fimi descendendo, & marla ascendendo consumitur. Et hæc est causa quare terras fimó dispersas profundè non expedit exarare, adjecta itaque terra fimo rariùs descendet, & per consequens tardiùs consumetur; qui cum superorentur, immissâ carucâ subvertantur, quia roris stillicidia multum juvant ad mixturam. Nec in warectum debent mitti fimi, quia per rebinuram ferè subverterentur; & sic ante tempus seminis multùm consumerentur: Sed ante tempus seminandi immediatè distribuantur, & maximè, si fuerint de ovili; quanto enim fimus ovilis semini sit propinquior, tanto commodior & utilior: tempore autem Augusti bidentes alienos admittere expedit ad ovile, eo quod tunc temporis

fimum abundantiùs emittunt. § 5. Item, Præpositus per consensum & visum ballivi & senesc', inter festa Pentecostes & Paschæ instaur' pecorum, videl' à debilibus fortia, & ægrotis sana eligi faciat, & separari; debilia namque magis consumunt, eo quod sæpius & meliùs oportebit hujusmodi dn' tamen ad operationes, & laborem constituta præbendare, & eisdem debilioribus frequentiùs parcere & deportare, & quanto in laborando parcatum fuerit eisdem, tanto erit onus graviùs, pejorque conditió robustis. § 6. Si autem priusquam senectutem nimiam attigerint, vel per decrepitatem, mahemiam, vel laborem nimium declinaverint, sic fuerint electa, ex mediocribus custubus poterint emendari, & per venditionem, vel alio quovis modo poterunt per substituta de levi, quasi revivisci; dum tamen prudenter vendantur, & de eis emantur fortiora: necessarium est igitur hujusmodi pecora sapienter abolire: Et post festum sancti Johannis Baptistæ expedit, quod boves debiles, & malè intentati, veteresque vaccæ, ac steriles juveniliaque averia parum emendantia, singulis annis in bonam mittantur pasturam, in quam pingues valeant devenire, ut tunc quod domino fuerit utiiius, sagaciter inde disponatur. § 7. Sufficiensque pastura tribuatur pecoribus laborantibus, nè per defectum declinent ad miseriam, per quod dampnum consequatur duplicatum, eo quod sumptus erant graviores, rarioresque labores. § 8. De die claro faciat Præpositus in præsentia sui vel messoris affros & equos quotidiè præbendari: Ita quod præbenda coram bobus conferenda stramine avenæ misceatur, vel frumenti; arestæ enim straminis ordeacei rugitus eorum impediret. De die dico, nè præbenda noctant' per custodes furetur eisdem; cum stramine dico, eo quòd occasione præbendæ magis comedant foragium, & per consequens magis bibent, & pinguescent, tum tamen hujusmodi forag' per modicas paululum quantitates eis liberentur; quòd si per magnam, minus comedent, magisque devastabunt. Præterea, si per magnam quantitatem eis fuerit liberat', ac ipsis postmodum rugientibus cum fuerint satiati, residuum straminis conculcabunt, naribusque inflabunt, & per consequens odio habebunt, & sic sordescent. § 9. Affros autem quan-

doque lavare, desiccatos striliare non est inutile; prodest etiam boves de die bis stergere cum vispilione, eò quod affectiùs se lambebunt. § 10. Item vaccis matricibus competens provideatur pastura, nè lactis patiantur detrimentum, & cum vitulus taurinus vituletur, primo mense non ablectetur; à quo deinceps de septimana in septimanam unicus lactis tractus debeatur, qui ultra duos menses minimè lactari permittatur; vitulus autem femellus integrè suum lac obtineat per tres septimanas, à qua postea veluti de masculo tractus uberum vicissim tollantur: Et tempore separationis aquam habeant abundanter, infra domum videl' & extra, nè per defectum aquæ, sicut frequenter contingit, ex ægritudine pulmonis moriantur. § 11. Cum autem calidum tempus accesserit & serenum, multum expedit juvenculas & vaccas, instaurumquè bestiarum in falda bene straminata noctanter custodiri, ut perinde meliorentur dominicæ culturæ. § 12. Cum autem tempore pasturæ bonas vaccas lactrices ab aliis separaverit, bonaque de marisco salsa pasci fecerit, extunc debet lac duarum hujusmodi vaccarum de una waga casei in xxiiii. septimanis ex communi consuetudine respondere, necnon & qualibet hebdomada de dimid' lagena butiri. Si autem de pastura bosci, vel prati post falcationem, seu stubulæ post tempus messium, sic erit tanta proficui responsio de tribus vaccis, quemadmodum prædictum est de duabus. Et nisi de tanto responderit, cujus intererit, ipsum tenebit compoti catena, eo quod miserrima trium de uno caseo de pretio unius oboli in duobus diebus respondebit, & de denariato butyri per septimanam. Et quod dicitur de trium vaccarum responsione, dici poterit de viginti bidentibus matricibus sanè custoditis. § 13. Nec sustineatur, quod aliqua vacca ultra festum sancti Michaelis lactetur, eò quod hujusmodi lactare eas debilitat vehementer & enervat, ac tardiùs minusque lactis præbebunt in anno futuro, vitulusque exilior erit atque minor.

II. FitzHerbert on Surveying.

CHAP. XIII.

How many customary Tenauntes there be, and howe moche Landes, every of them holdeth, and what Workes, and Customes they do, and what the Workes, and the Customes of every Tenant is worthe by the Yere, and how moche every of them payeth, over the Customes and Workes, &c.

ITEM inquirend. est de customariis videlicet quot sunt customarii et quant. terre quilibet customarius teneat, quas operationes, et quas consuetudines facit, et quantum valent opera et consuetudines cuiuslibet customarii per se per annum, et quantum redditum de redditu. assise per annum preter opera et consuetudines, et qui possunt talliari ad voluntatem domini et qui non.

It is to be inquered of customary tenantes, that is to wytte, howe many there be, and how moch land every tenaunt holdeth, and what werkes and customs he doth, and what the werkes and customs be worth of every tenaunt by itself, and howe moche rent by the yere, above his werkes and customes he doth pay, and which of them may taxe their landes at the wyll of the lorde and whiche nat. Customarye tenauntes are those that hold theyr landes of their lord by copye of courte role, after the custome of the manour. And there be many tenauntes within the same manor, that have no copies, and yet holde by lyke custome and seruyce at the wyll of the lorde. And in myne opinion it began soone after the conquest, when William conquerour had conquered the realme, he rewarded all those that came with hym, in his viage royall, according to their degree. And to honourable men he gave lordshyppes, maners, landes, and tenementes, with all the inhabytantes, men and women dwellyng in the same, to do with them at their pleasure.

And those honourable men thought, that they must

needes have servantes and tenantes, and theyr landes occupyed with tyllage. Wherefore they pardoned the inhabytantes of their lyues, and caused them to do al maner of servyce, that was to be done, were it never so wyle, and caused them to occupie their landes and tenementes in tyllage, and toke of them suche rentes customes and services, as it pleased them to have. And also took all their goodes and cattell at all tymis at their plesure, and called them their bondmen, and sythe that tyme many noblemen both spirituall and temporall, of their godly disposition have made to divers of the said bondmen manumissions, and granted them freedom and libertie, and set to them their landes and tenementes to occupy after dyvers maner of rentes, customes and servyces, the whiche is used in dyuers places unto this day. Howe be it in some places, the boundmen contynue as yet, the which me semeth is the greatest inconuenience that now is suffered by the lawe, that is to haue any christen man bounden to an other, and to haue the rule of his body, landes and goodes that his wife, chyldren, and seruantes haue laboured for all theyr lyfe tyme to be so taken, like as and it were extorcion or bribery. And many tymes by coulour thereof, there be many freemen taken as bondmen, and their landes, and goodes taken from them, so that they shall not be able to sue for remedy, to proue themselfe fre of blode. And that is moste commonly where the freemen have the same name as the bondemen, or that his auncesters, of whome he is comen, was manumysed before his byrthe. In such case there can nat be to great a punyshment. For as me semeth, there shulde be no man bounde, but to God, and to his kynge, and prince ouer hym: Quia deus non facit exceptionem personarum, for God maketh no exception of any person. Wherefore it were a charitable dede to euery nobleman both spirituall, and temporall, to do as they wolde be done by, and that is to manumyse them that be bond, and to make them fre of body and blode, reseruing to them theyr rentes, customes, and seruices of olde tyme due and accustomed, wherein they may get the prayers of the partie, and remyssion of theyr offences, as in the gospell. Eadem

mesura, qua metiti, fueritis, metietur vobis. The same measure that ye do mete to other men, shall be metten to you. In mayny lordshippes there is a customary roole bytwene the lorde and his tenauntes, and it ought to be indented, one parte to remayne in the lordes kepynge, the other parte with the tenantes, and dyvers trewe copyes to be made of the same, that the rentes and customes ronne nat out of remembraunce. And also a suyte rolle, to call all those by name, that oweth any suyte to the lordes court, and than shall there be no concelemente of the sutours, but that the stewarde may knowe, who is nat there, and if any sutoure decesse, the name of his next heire wold be entered into the same rolle, and an enquery made and presented what he helde of the lorde, and by what rentes, customes, and seruyce of every parcell by itself, and who is his next heyre, and of what age he is of, and this truely done and entered into the rolle, it would be a conveyance of descent in maner of a petie degre, and profytable to the lordes, and also to the tenauntes, causa patet. The name of every tenaunte must be put in the rolle, and his mese place to be butted and bounded, as it lyeth in length and brede, and bytwene whome. And also his landes, medowes, lays, and pastures, likewise butted, and bounded, that it may be known many yeres after, who dwelled there: and what landes medowes, and pastures lay to the same at that tyme. And what warkes and customes the tenaunt dothe for every parcell, and what the warkes and customes be worthe in a yere, and howe moche rente, the tenaunte, dothe paye for euery parcelle, beside the customes, and warkes, to the entent, that if any parcell of lande, medowe, or pasture be alyened, solde, or changed, or put from one tenaunt to another, the lorde and his bayley may knowe what rentes, customes and werkes, he shall aske and haue of the occupier, for every parcell. And it is the most speciall poynt that belongeth to a surueyor, to butte, and bounde truly euery parcell by itselfe, and to knowe what rentes, werkes, customes, and seruices, goth out of the same, for than may he make a true rentall or customary rolle, and put all thynges in a certentie.

CHAP. XIV.

Of Cotiers what Cotages and Curtylages they holde, and by what Seruyce, and howe moche Rente they pay by the Yere, &c.

ITEM inquirendum est, de cotagellis, que cotagia et curtilagia teneant, et per quod seruic' et quantum reddant per annum, pro predict. cotagiis et curtilagiis.

Also it is to be inquered of cotagers, what cotages and curtilages they holde, and by what seruice, and what they yeld by the yere, for the forsaid cotages and curtilages. This Chap. and the next president, be both of one effect, but that it is to presume, that there is nat so moch rentes, heriottes, customes, and seruices, to be payde, and doone for a cotage, as there is for a mese place or a better tenement but it maye be lyke custome and seruyce.

CHAP. XL.

Howe to make a Township that is worthe, XX. *Marke a Yere, worth* XX. li. *a Yere.*

IT is undoubted, that to euery townshyppe that standeth in tyllage in the playne countrey, there be errable landes to plowe, and sowe, and layse to tye or tedder theyr horses and mares upon, and common pasture to kepe, and pasture theyr catell, beestes, and shepe upon. And also they have medowe grounde to get theyr hey upon. Than to let it be knowen how many acres of errable lande euery man hath in tyllage, and of the same acres in euery felde to chaunge with his neyghbours, and to leye them toguyther, and to make hym one seueral close in euery felde, for his errable landes and his leyse in every felde, to leye them togyther in one felde, and to make one seueral close for them all. And also another severall close for his portion of his common pasture, and also his porcion of his medowe in a seuerall close by itselfe, and al kept in seueral both in wynter and somer, and euery cotage

shall have his portion assigned hym accordynge to his rent, and than shall nat the ryche man ouerpresse the poore man with his catell, and every man may eate his owne close at his pleasure. And vndoubted, that hay and strawe that wil finde one beest in the house wyll finde two beestes in the close, and better they shall lyke. For those beastis in the house have short heer and thynne, and towarde Marche they wyll pylle and be bare. And therefore they may nat abyde in the felde byfore the heerdmen in winter tyme for colde. And those that lie in a close under a hedge have longe heare and thyck, and they wyll neuer pylle nor be bare, and by this reason the husbande maye kepe twyse so many catell as he did before.

This is the cause of this approwment. Nowe euery husbande hath sixe seuerall closes, whereof iii. be for corne, the forthe for his leyse, the fyfte for his commen pastures, and the sixte for his haye, and in wynter time there is but one occupied with corne, and than hath the husbande other fyue, to occupy tylle lente come, and that he hath his falowe felde, his ley felde, and his pasture felde al sommer. And whan he hath mowen his medowe, than he hath his medowe grounde, soo that if he have any weyke catell that wold be amended, or dyvers maner of catell, he may put them in any close he wyll, the which is a great aduantage; and if all shulde lye commen, than wolde the edyche of the corne feldes and the aftermath of all the medowes be eaten in x. or xii. dayes. And the ryche men that hath moche catell, wolde have the advantage, and the poore man can have no helpe nor relefe in wynter, whan he hath moste nede, and if an acre of lande be worthe sixe pens, or it be enclosed, it will be worth viii. pens, whan it is enclosed, by reason of the compostyng and dongyng of the catell, that shall go and lye upon it both day and nighte; and if any of his thre closes that he hath for his corne be worne or ware bare, than he may breke and plowe up his close that he hade for his layse, or the close that he hadde for his commen pasture, or bothe, and sowe them with corne, and let the other lye for a tyme, and so shall he have alway reist grounde, the which wil beare

moche corne with lytel donge; and also he shall have a great profyt of the wod in the hedges whan it is growen, and not only these profytes and advantages beforesaid, but he shall saue moche more than al these, for by reason of these closes, he shall save meate, drinke, and wages of a shepeherde, the wages of the heerdman, and the wages of the swine heerde, the whiche may fortune to be as chargeable as all his holle rent, and also his corne shall be better saued from eatinge or distroyeng with catel. For dout ye nat but heerdemen with their catell, shepeherdes with their shepe and tieng of horses and mares, distroyeth moch corne the which the hedges wold saue. Paraduenture some men would say, that this shuld be against the common weale, bicause the shepe herdes, heerdmen, and swyneherdes, shulde than be put out of wages. To that it may be answered, though those occupations be not used, there be as many newe occupations that were not used before. As gettyng of quicke settes, diching, hedging, and plashing, the which the same men may use and occupye. Also it may fortune men wyl say, that if all shuld be enclosed, that there wold be many foule lones, as there be in Essex: but for that there may be a prouision and that is thus, where the kinges hieway is, if it be dry grounde, stony ground, or sandy ground, in al such places, may be lanes made of a convenient breade, for the kynges people to passe through with al maner of cariage. And where it is softe ground lyeng leuel, that the waters may not wel passe by the dychesse, at euery hedge that goeth over whart the hyeway there to make a gate, and stone it or grauel it in that place. And then hath euery man the hole close to ride cary or go in, as they had before, likewise as they do at the wynd gates at this syde Chorley in Lanchashire, and likewise betweene towne and town; and as to their owne drift lanes to their closes, let them make them for their owne ease as they wil have them, &c.

The moste indifferentest meane to make these approwments, as me semeth is this. Al the lordes of one towne, be there never so many, shulde be all of one assente, that theyr tenauntes shulde exchaunge their landes one with an other,

and the sayd exchaunge to stande, and endure for ever, for dout theym nat, but they knowe it best, and every tenaunt for his owne advantage wyl do it indifferently, and the curate of the same parisshe for his parte, and euery lordes bayly to be indifferent, to se these closes lotted and assigned to everye man's case, so that euery man maye have one lyttell croft or close next to his own house, if it may be, thoughe he may have no lande of his owne. This done, lette every lorde by his coppe of court role, or by indenture, to make a sufficient lease to every of their tenauntes, to have to hym and to his wyfe, and to his children, so that it passe not thre lyues, than beinge alyue and named, yielding and paying to their lordes, and to their heires, the old rentes and seruyces, before due and accustomed, during these thre lyues, upon this condition, that they shall do or cause to be done, duryng their lyues, sufficiently to quycke, set, diche, hedge, and plashe, whan nede is, al the sayde closes, and soo kepe theym durynge their lyues, the whiche wyl be a great charge to the tenantes. But yet me semeth they may wel do it if they entende to thriue, and specially do remember the profits that may come to them afterward. There is an old saying. Quod leuis est labor cum lucro, that is to say, that labor is light where winning followeth, and moche of this labor may be done by himselfe, and his seruantes, at a convenient tyme, soo that he let nat his husbandry. It is moche to be done in one yere, two or thre, but and they may do it in syx or nyne yeres as the felde go aboute, they hye them well, for it is too costly for husbandes to hyre it to be doone. And the lordes me semeth, canne do no lesse, than to graunte them these thre lyues of the olde rent, remembrynge what profytes they may have at the ende of the termes, they knowe not howe soone. For undouted one sette day cometh at laste, and though the aduantage of the lordes come not anone, it wyll come at length. And therefore sayth the philosopher. Quod differtur, non aufertur, that thyng that is deferred is nat taken away, and in the meane time the lordes have no maner of losse, nor yet make no costes, but at their pleasure.

APPENDIX II.

I. THE ASSISE OF BREAD AND ALE[1].

When a Quarter of Wheat is sold for xii d. then Wastel bread of a Farthing shall weigh vi l. and xvj s. But Bread Cocket [of a Farthing] of the same Corn and Bultel[2], shall weigh more than Wastel by ii s. And [Cocket Bread] made of corn of a lower price shall weigh more than Wastel by v s. Bread made into a Simnel shall weigh ii s. less than Wastel, because it is twice cooked[3]. Bread made of the whole wheat shall weigh a Cocket and a half [that is to say the Cocket that shall weigh more than Wastel by v s.] Bread of Treet shall weigh ii Wastels. And bread of common Wheat shall weigh two great Cockets.

When a Quarter of Wheat is sold for xviii d. then Wastel bread of a Farthing white and well baked shall weigh iv l. x s. viii d.

When for	ii s.	iii li. viii s.[4]
When for	ii s. vi d.	liv s. iv d. ob. q.[5]
When for	iii s.	xlviii s.
When for	iii s. vi d.	xlii s.

[1] *Statutes of the Realm* (folio) I. 199, attributed to 51 Henry III. or 13 Ed. I.

[2] Du Cange explains this as a sieve: it thus means bread of the same corn and same fineness.

[3] Simnel bread was of the nature of Cracknels, which, like Simnel Cakes in Lancashire, are boiled as well as baked.

[4] In other words 40 ounces 16 pennyweight.

[5] 54 shillings and 4 pence, halfpenny and a farthing.

When for iv s.	xxxvi s.
When for iv s. vi d.	xxx s.
When for v s.	xxvii s. ii d. ob.
When for v s. vi d.	xxiv s. viii d. q.
When for vi s.	xxii s. viii d.
When for vi s. vi d.	xx s. xi d.
When for vii s.	xix s. i d.
When for vii s. vi d.	xviii s. i d. ob.
When for viii s.	xvii s.
When for viii s. vi d.	xvi s.
When for ix s.	xv s. q.
When for ix s. vi d.	xiv s. iv. d. ob. q.
When for x s.	xiii s. vii d.
When for x s. vi d.	xii s. xi d. q.
When for xi s.	xii s. iv d. q.
When for xi s. vi d.	xi s. x d.
When for xii s.	xi s. iv d.
When for xii s. xi d.	xi s.
When for xiii s.	x s. iij d. ob.
When for xiii s. vi d.	x s. i d. ob.
When for xiv s.	ix s. viii d.
When for xiv s. vi d.	ix s. ii d. ob. q.
When for xv s.	ix s. ob. q.
When for xv s. vi d.	viii s. viii d.
When for xvi s.	viii s. vi d.
When for xvi s. vi d.	viii s. iii d.
When for xvii s.	viii s.
When for xvii s. vi d.	vii s. viii d. ob.
When for xviii s.	vii s. vi d. q.
When for xviii s. vi d.	vii s. iv d. ob.
When for xix s.	vi s. xi d. q.
When for xix s. vi d.	vi s. ix d.
When for xx s.	vi s. viii d.

And it is to be known, that when a Baker in every Quarter of Wheat, as it is proved by the King's Bakers, may gain iv d. and the Bran, and Two Loaves for the Oven, for Three Servants i d. ob., for two Lads ob., in Salt ob., for

Kneading, ob., for Candle q., for Wood ii d. And[1] it shall be known that the assize of Bread and of Barley shall not be changed but for six pence increase or fall in the Quarter.

When a Quarter of Wheat is sold for iii s. or iii s. iv d. and a Quarter of Barley for xx d. or ii s. and a Quarter of Oats for xvi d. then Brewers in Cities may and ought to sell two Gallons of Beer or Ale for a Penny, and out of Cities to sell iii Gallons for a Penny. And when in a Town iii Gallons are sold for a Penny out of a Town they ought, and may sell four. And this assize ought to be holden throughout all England.

And if a Baker or Brewer be convicted that they have not kept the foresaid Assizes, the First, Second and Third time they shall be amerced according to the Quantity of their offence; and that as often as a Baker shall offend in the weight of a Farthing loaf of bread not above ij s. Weight, that then he be amerced as before is said; but if he exceed ij s. then is he to be set upon the Pillory without any Redemption of Money.

In like manner shall it be done if he offend oftentimes and will not amend, then he shall suffer the Judgment of the Body, that is to say the Pillory, if he offend in the Weight of a Farthing Loaf under Two Shillings Weight as is aforesaid. Likewise the Woman Brewer shall be punished by the Tumbrell, Trebuchit, or Castigatorie, if she offend divers times and will not amend[2].

II. The Assize of Weights and Measures[3].

By Consent of the whole Realm the King's measure was made so that an English Penny which is called Sterling,

[1] Not in Latin or English but added in French.

[2] Another Statute concerning Bakers (I. 203) has this clause: 'Every Pillory or Stretchneck and Tumbrel must continually be of convenient strength, so that Execution may be done upon offenders without Peril of their Bodies.'

[3] *Statutes of Realm*, I. 204, attributed to 31 Ed. I.

A similar list occurs in Fleta II. 9, but the text there presents greater difficulties than that which is given here.

round without clipping, shall weigh Thirty-two Grains of Wheat dry in the midst of the Ear. Twenty pence make an Ounce: and Twelve Ounces make a Pound London, to wit Twenty Shillings of Sterlings, and Eight Pounds make a Gallon of Wine; and Eight Gallons of Wine make a Bushell of London, which is the Eighth Part of a Quarter of London. And Twelve Pounds and a half make the Stone London.

A Sack of Wool ought to weigh Twenty eight Stone, (that is Three Hundred and Fifty Pounds,) and in some Parts Thirty Stone (that is Three Hundred and Seventy five Pounds,) and they are the same according to the greater or lesser Pounds[1]. Six times Twenty Stone, that is Fifteen Hundred Pounds make a Load[2] of Lead, to wit the Great Load of London, but the Load of the Peak[3] is much less.

The Load of Lead also consists of Thirty Formels and every Formel containeth Six Stone, except Two Pounds: and every Stone doth consist of twelve Pounds, and every Pound consisteth of the Weight of Twenty five Shillings, whereby the Sum in the Formel is Seventy Pound.

[1] This paragraph is very hard to understand: 350 pounds of 15 oz. are not equal to 375 li. of 12 oz., but stand as 7 : 6. Besides this the calculation below as to the relation of *Sacks* of Wool to *Weighs* seems to imply that the twenty-eight Sacks are estimated in Troy weight, and that therefore the smaller number consists of the lighter pounds. If however we regard a weigh as consisting of two stones of any denomination, in the paragraph below, we may get the closest approximation, by neglecting the calculation here of the number of pounds, which is an interpolation, and say that 28 stones of 180 ounces (or 336 large pounds) are equal to 30 stones of 150 ounces (or 375 small pounds), but they are not really identical, for 336 large pounds are to 375 small ones as 28 : 25.

[2] This must obviously be a different Load from the still larger Load (2100 not 1500 pounds) which is analysed immediately below; nor can it be exactly identified with the Load (Troy) as that would be equal to 1680 of the larger pounds: 2100 small stand to 1500 large pounds as 28 : 25.

[3] The Peak of Derbyshire, in the neighbourhood of which there had been lead mines since Roman times.

But the sum of the stones in the Load is Eight times Twenty and Fifteen, and it is proved by Six Times Thirty, which is Nine Times Twenty. But of every Formel there are abated Two Pound in the foresaid Multiplication, which are Sixty, which makes Five Stone. And so there are in the Load Eight times Twenty and Fifteen Stone as is aforesaid.

According to some others the Load consisteth of Twelve Weighs, and this is after Troy weight. And the sum of stones in the Load is Eight Times Twenty and Eight Stones, and is proved by Twelve Times Fourteen. There is a Weigh as well of Lead as of Wool, Linen, Tallow and Cheese, and weigheth Fourteen Stone. And Two Weighs of Wool make a Sack, and Twelve Sacks make a Last[1].

But a Last of Herrings containeth Ten Thousand and every Thousand containeth Ten Hundred and every Hundred Six Score.

A Last of Leather doth consist of Twenty Diker, and every Diker consisteth of Ten Skins.

A Diker of Gloves consisteth of Ten Pair of Gloves.

Item, a Diker of House shoes doth consist of Ten Shoes.

Item, a Dozen of Gloves, Parchment and Vellum in their kinds contain Twelve Skins and Twelve Pair of Gloves.

Item a Hundred of Wax, Sugar, Pepper, Cinamon, Nutmegs, and Allum containeth Thirteen Stone and a Half, and every Stone Eight Pounds. The Sum of Pounds in a Hundred One Hundred and Eight Pounds, and the hundred consists of Five Times Twenty and every Pound of Twenty Five Shillings.

Item it is to be known that the Pound of Pence, Spices, Confections, as of Electuaries, consisteth in weight of Twenty Shillings. But the Pound of all other things weigheth Twenty five Shillings.

[1] These two 'loads' contain the same number of pounds, and therefore stand to one another as 5 to 4.

175 stone × 12 = 30 formels × 70 = 2100 lbs. of 25s. or fifteen ounces.

168 stone × 12½ = 12 weighs × 14 × 12½ = 2100 lbs. (Troy) of 20 p. or twelve ounces.

But in Electuaries the Ounce consisteth of Twenty Pence, and the Pound contains Twelve Ounces: but in other things the Pound contains Fifteen Ounces, but the Ounce in either case is in weight twenty pence.

Item a Hundred of Canvas and Linen Cloth consisteth of One Hundred Ells, and every Hundred containeth Six Score.

But the Hundred of Horse Shoes consists of but Five Score.

The Seeme of Glass containeth Twenty Four Stone and every Stone Five Pound. And so the Seeme containeth Six Score Pound.

The Dozen of Iron consisteth of Six Pieces.

A Bind of Eels consisteth of Ten Stikes and every Stike Twenty five Eels.

But the Bind of Skins of thirty Timbres. A Timbre of Coney skins and Grayes consisteth of Forty Skins.

A Chef of Fustian consisteth of Fourteen Ells. A Chef of Sindon containeth Ten Ells.

A Hundred of Garlicke consisteth of Fifteen Ropes, and every Rope containeth Twenty five Heads.

Also a Hundred of Mulsells and Hard Fish consists of Six Score Fish, and in some and many places of Nine Score; and this of the Hard Fish called Aberdeen.

III. Statute for the Measuring of Land[1].

When an acre of land containeth ten perches in length then it shall be sixteen perches in breadth.

When xj in length, xiv perches i foot, and five inches.

When xij in length xiii perches and a quarter, or 1 foot 1½ inch.

and so on to

When lxxx in length then ii perches in breadth.

[1] Attributed to 33 Ed. I.

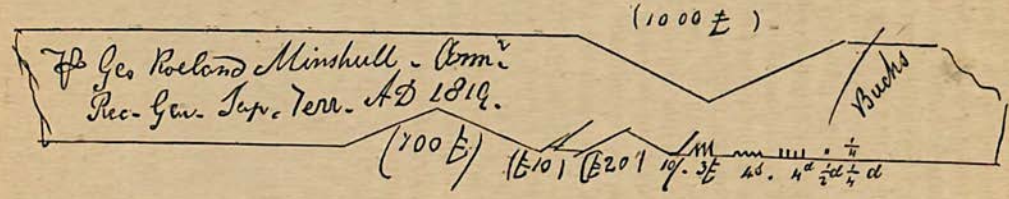
APPENDIX III.

When the payment was made, a receipt was given by means of a wooden tally, the engraving and description of which have been taken from an article entitled 'Curiosities of the Exchequer' in the *Illustrated London News* for 1858.

"The tally was a slip of willow-wood, cut to a length proportioned to the magnitude of the pecuniary transaction it was intended to record. Its indications were rendered by notches, which signified various sums in progressive order, according to their size and shape.

When fabricated the instrument assumed a form as in the accompanying specimen:—As will be seen from the engraving, a large notch of an inch and a half in width signified £1000; a smaller notch, one inch in width, signified £100; one of half an inch signified £20; a notch in the wood slanting to the right signified £10 (in combination this notch was placed before the £20 notch); small notches signified £1 each; a cut sloping to the right signified 10*s.* (in combination placed before the £1 marks); slight indentations, or jags, in the wood signified shillings; strokes with ink on tally signified pence; a round hole, or dot, signified a halfpenny; a farthing was written in figures.

When split in two lengthwise across the notches each section of the tally, of course, corresponded exactly. One half was then delivered to the party paying money, as a receipt, and the other kept by the officers of the department, as a check or record of the transaction."



Exchequer Tally delivered to G. R. Minshull, Esq., on payment of £1133. 14s. 4¾d. into the Exchequer for Land-Tax collected in Buckinghamshire in 1819.

EXTRACT FROM THE PIPE ROLL, FOR THE FIRST YEAR OF KING RICHARD I.

CANTEBRIGESCR 7 HUNTEDONESCR.

Nichols fit Robti redd Comp de firma de Cantebrſcz 7 Huntedſz.

In thro . CC. 7 . XLI. li. 7 .V. s. 7 . III . d. bl.

Et In Elem Const Militibz de Templ . II. m. Et Canonic de Hunted . XL. s.

Et In Libat Const In CantebrSr ſ Rad de Munfort . XXX. s. 7 .V. d. Et Gerũ Sciptorj . LX. s. 7 . X. d. de Elem q̃ fuit Willi fit Walti p br R.

Et In HuntedSr . Alañ Cornieins . XXX. s. 7 .V. d. Et pcuratori vinee . LX. s. 7 . X. d. Et In Custamto Vinee . XX. s. l̃ anno.

Et In Terris Datis In CantebrSr ſ Rogo de Sanford . XL. s. nũo . in Bercheia. Et Petro Picot . C . s. in Wilburgehã. Et Ric de Clara 7 Henr de Kemeseke . XX . li. bl . in Fordhã. Et Esucillardo de Seissuns . X . li. nũo . in Cũbtoñ. Et In Burgo de Cantebr . LX . li. bl. De qlbz ; cõpot⁹ debz reddi p se. Et Hug de Malalneto . XV . li. nũo . in Wilburgehã . p br Ranñ de Glanuill pcepto Regis. Et eid . VII . li. 7 . X . s. de eod redditu p br eiusd.

Et In Custamto Carriandi thrm Galfri Eliens Epi a Cantebr usq; Lond . XXV . s. 7 . VI. d. Et In Custamto ducendi vina ei⁹d Epi ã Cantebr usq; Scluestoñ . X . s. 7 .V. d. Et In Libat Johis Austⁱcarij 7 eq°rũ suoz 7 Auiũ suar . III . s. 7 .XI. d. Et Quiet⁹ est.

Burgenses de Cantebr deb .LX. li. bl. de firm Burgi de Cantebr de ñ anno . Et .C. 7 qat .XX. li. bl de .IIII. annis ptitis . Et .XXX. li. bl. de dim anno . de firma Quinti anni.

S .CC. 7 .LXX. li. bl. qd e .CC. 7 .LXXVI. li. 7 .XV. s. nūo . p 9busť .VI. denarios qla reddidant i thro.

Id reddt Comp de eod debito. In thro .C. 7 . qat .XX. 7 .XVI. li. 7 .VII. s. 7 .X. d. nūo.

In Pdoñ p br R Ipis Burgensibz qat .XX. li. 7 .VII. s. 7 .II. d. nūo qos libavant in thro p habenda Villa sua in Capite de Rege . de qa ñc Rex fecit uolūtatē suā. Et Quieti st.

Id Burgenses reddt Comp de .IIII. s. 7 .II. d. de qlbzdā minutis rebz iuentis i Ppstuis Vici eid Burgi. In thro libavert. Et Quieti st.

..... de Huntedoñ redd Comp de .XL. s. p Gilda sua. . In thro libavert. Et Quieti st.

Then follow the Sheriff's account of the value due from usurpations, and escheats to the Crown, of the tallage from Royal Demesne, including all lands of ancient demesne, from the pleas in the Archdeacon's Court, from Forest pleas, and recent pleas of the Crown, such as murder, using false weights, &c.

The extract when extended runs thus :—

Nicholas filius Roberti reddit compotum de firma de Cantebrigescira et Huntedonescira.

In thesauro CCXLI librae et V solidi et III denarii blanco. Et in Elemosynis constitutis Militibus de Templo II marci. Et canonicis de Huntedona XL solidi.

Et in liberationibus constitutis in Cantebrigescira: Radolfo de Munfort XXX solidi et V denarii. Et Gervasio Scriptori LX solidi et X denarii de elemosyna quae fuit Wilielmi filii Walteri per breve Regis.

Et in Huntedonescira: Alano Cornicins XXX solidi et V denarii. Et procuratori vineae LX solidi et X denarii. Et in custamento vineae XX solidi hoc anno.

Et in terris datis in Cantebrigescira: Rogero de Sanford XL solidi numero in Bercheia. Et Petro Picot C solidi in Wilburgeham. Et Ricardo de Clara et Henrico de Kemeseke XX librae blanco in Fordham. Et Esueillardo de Seissuns X librae numero in Cumberton. Et in burgo de Cantebrigiae LX librae blanco. De quibus compotus debet reddi per se. Et Hugoni de Malalneto XV librae numero in Wilburgeham per breve Ranulfi de Glanville precepto Regis. Et eidem VII librae et X solidi de eodem redditu per breve ejusdem.

Et in custamento carriandi thesaurum Galfredi Eliensis Episcopi a Cantebrigia usque Londinium XXV solidi et VI denarii. Et in custamento ducendi vina ejusdem Episcopi a Cantebrigia usque Selvestone X solidi et V denarii. Et in liberatione Johannis Austrucarii et equorum suorum et avium suarum III solidi et XI denarii. Et Quietus est.

Burgenses de Cantebrigia debent LX libras blanco de firma Burgi de Cantebrigia de hoc anno. Et C et quatuor XX libras blanco de quatuor annis praeteritis. Et triginta libras blanco de dimidio anno de firma Quinti anni.

Summa CC et LXX libras blancas, quod est CC et LXXVI librae et XV solidi numero, per combustionem VI denariorum quia reddiderant in thesauro.

Iidem reddunt compotum de eodem debito. In thesauro C et quatuor XX et XVI librae et VII solidi et X denarii numero.

In perdono per breve Regis ipsis Burgensibus quatuor

XX librae et VII solidi et II denarii numero quos liberaverant in thesauro pro habenda Villa sua in Capite de Rege: de qua nunc Rex fecit voluntatem suam.

Et Quieti sunt.

Iidem Burgenses reddunt compotum de IIII solidis et II denariis de quibusdam minutis rebus inventis in propresturis Vici ejusdem Burgi.

In thesauro liberaverunt. Et Quieti sunt.

..... de Huntedone reddunt compotum de XL solidis pro Gilda sua.

In thesauro liberaverunt. Et Quieti sunt.

Nicholas the son of Robert renders account of the farm of Cambridgeshire and Huntingdonshire.

In the treasury £241. 5. 3 blank.

And for customary charity for the Knights Templars, 2 marks. And for the canons of Huntingdon 40/.

And for customary payments in Cambridgeshire: to Radolf of Muntfort 30/5. And to Gervase the clerk 60/10 of the charity which was William's the son of Walter's by the King's letter.

And in Huntingdonshire to Alan Cornieiis 30/5. And to the steward of the vineyard 60/10. And for the cost of the vineyard 20/ for this year.

And for lands granted[1] in Cambridgeshire to Roger of Sanford 40/ by tale in Bercheia. And to Peter Picot 100/ in Wilbraham. And to Richard of Clare and Henry of Kemeseke £20 blank in Fordham. And to Esweillard of Seissuns £10 by tale in Cumberton. And in the Burgh of Cambridge £60 blank for which account is to be made separately. And to Hugh

[1] From lands granted the king would of course get no revenue, and therefore the sheriff had not to account for the same farm as was due before the grant. Most of these lands occur in the Terra Regis in *Domesday*. Compare Madox, *op. cit.* p. 650.

of Malalnet £15 by tale in Wilbraham by Letter of Ranulf de Glanville by the King's command: and to the same £7. 10 from the same income by a Letter of the same.

And for the cost of carrying the treasure of Galfrid bishop of Ely from Cambridge to London 25/6. And for the cost of bringing the same bishop's wine from Cambridge to Selveston 10/5. And for the payment of John..... and his horses and his birds 3/11.

And he is quit.

The burghers of Cambridge owe £60 blank of the firm[1] of the town of Cambridge for this year: and £180 blank for the four years past, and £30 blank for the half of the firm of the year before that.

Total £270 blank which is £276. 15/ by tale, according to the combustion of VI denarii because[2] they had paid in the treasury.'

The same burghers render account of the said debt. In the treasury £196. 7/10. by tale.

Remitted by Royal Letter to these burghers £80. 7/2 by

[1] This appears to be used in a derivative sense as any annual payment. Madox, *Firma Burgi*, p. 3. Here it refers to the *burgage* which succeeded the Danegeld.

[2] blanco, numero, combustio. Madox, *History of the Exchequer*, chap. IX. can give only "a conjectural Explication of this Matter." Combustion of money is certainly trial by fire or assay. On this occasion £270 blank is reckoned equal to £276. 15s. by tale, that is to say to £270 and 270 sixpences. Of course we should naturally expect to find mention of the assay and its result, not in the sentence which states the amount due, but in the sentences which state the sums paid by the burgesses: and we should expect to find mention of a separate assay for each sum paid. The clause *quia reddiderant in thesauro* is perhaps inserted to account for the misplacement of the mention of the assay; for as they had paid all that was due, and paid it all in money of the same quality, it did not matter on which side of the account the assay was mentioned, nor whether there was one assay or more.

tale, which they had paid in the treasury for holding their own town *in capite*[1] from the king: about which town the king has now done his pleasure.

And they are quit.

The same burghers render account of 4/2 for some trifling matters found in the new additions to the township of the same Burgh.

They have paid into the Treasury,

And are quit.

.....of Huntingdon render account for 40/- for their Gild

They have paid into the Treasury

And are quit.

[1] A case of fining for liberty to manage their own taxation. As the king "did his pleasure about their town" they did not get this liberty, and the money they had paid was remitted to them by the king's letter or, in other words, placed to their credit.

APPENDIX IV.

Note on Chart I.

This diagram is intended to exhibit the gradual depreciation of the coinage, and also the steady fall in the value of the precious metals. The lines show the course taken by the Real prices or bullion values of certain ordinary commodities and services, as distinguished from their nominal prices, or the number of coins of a certain denomination for which they from time to time exchanged. That the same nominal price has not always indicated the same quantity of precious metal is due to the facts, that (1) varying amounts of alloy have from time to time been introduced into a pound weight of coin, and that (2) pieces of the same denomination have been coined now lighter, now heavier.

The diagram is based chiefly on tables of prices furnished in Macpherson's *Annals of Commerce*, Vol. IV., in Eden's *State of the Poor*, in Fleetwood's *Works*, Vol. III., and in Prof. Thorold Rogers' *History of Prices;* and in most cases the prices quoted have been selected upon a careful comparison of several authors. The lines pretend however only to a rough accuracy, the aim being to exhibit rather the general direction taken by the prices than the many minor divergencies from it.

The marks on the lines refer to those nominal prices from which the real prices have been calculated; they are given below (with their respective dates) under each heading.

The line X—X exhibits the quantity of silver (present fineness) which has at different periods been contained in twenty shillings according to the Mint returns. In the 11th century 1 lb. of silver was coined into 20 pieces called shillings, but is now coined into 62 shillings; hence a shilling then, and for two centuries later was equal to about three of our present ones. The period of greatest depreciation was in the years 1546—1551. In the attempt to calculate Real prices at this period, and for some time previously, there is much difficulty; accurate results cannot be obtained by reference merely to the Mint issues at the time, as the depreciation in them would not immediately take effect over a wide area, and the results would be considerably modified by the circulation of the coinage of previous years along with the new coin. The actual depreciation must therefore have been always less than the proceedings of the Mint in themselves intimate; and perhaps rather too much has been allowed for it in the price lines.

The following are the dates and amounts of depreciation of the coinage at the Mint as exhibited roughly by the line X. The table is from Macpherson's *Annals of Commerce*, Vol. IV.

	Fine Silver. oz. dwt.	Alloy. oz. dwt.	Coined into £. s. d.
Before A.D. 1300 a pound of standard silver contained	11 2	0 18	1 0 0
In 1300	11 2	0 18	1 0 3
,, 1344	11 2	0 18	1 2 2
,, 1346	11 2	0 18	1 2 6
,, 1353	11 2	0 18	1 5 0

		Fine Silver. oz. dwt.	Alloy. oz. dwt.	Coined into £. s. d.
In	1412	11 2	0 18	1 10 0
,,	1464	11 2	0 18	1 17 6
,,	1527	11 2	0 18	2 5 0
,,	1543	10 0	2 0	2 8 0
,,	1545	6 0	6 0	2 8 0
,,	1546	4 0	8 0	2 8 0
,,	1549	6 0	6 0	3 12 0
,,	1551	3 0	9 0	3 12 0
,,	1551 } ,, 1552 }	11 1	0 9	3 0 0
,,	1553	11 0	1 0	3 0 0
,,	1560	11 2	0 18	3 0 0
,,	1601	11 2	0 18	3 2 0

And so the money continues to the present time.

The prices quoted below (where an average has not been taken) have been selected as those which upon comparison appeared to be fairly representative of a period.

1. A. *Wages of Common Labourers per week.*

DATE.	s.	d.	
1272.....	0	6—9	
1348.....	2—4	0	Time of the Black Death.
1385.....	1	0	
	1	6	
1446..	1	0	By Statute.
1514.....	2	3	
1593.....	2	6	By Statute.
1610.....	3	0	
	3	6	By Statute.
1651.....	6	0	
1685.....	4	0	
1725.....	4	6	
	5	0	By Statute.
1796.....	9	0	

B. *Wages of Artisans per week.*

DATE.	*s.*	*d.*	
1272.....	1	0	
1348.....	4	0	Black Death.
1390.....	1	6	
	2	0	
1446.....	1	6	By Statute.
1514.....	3	0	
1575.....	5	0	
1593.....	4	0	By Statute.
1610.....	4	0	
	4	6	By Statute.
1651.....	7	0	
	8	0	
1685.....	6	0	By Statute.
1725.....	6	0	By Statute.
1796.....	12	0	

Immediately after the Black Death in 1348 there was an exorbitant rise in wages, and though they soon sank, they never returned again to their former level, but appear to have risen permanently one third or one fourth.

Nominally, wages rose in a marked manner during the 15th century, but at this time depreciation of the coinage was steadily in progress, and is sufficient to account for the change. An attempt however was made in 1446 to correct this nominal rise by Statute, but it is to be doubted whether it was even temporarily successful. In any case wages had regained the standards of $\frac{3}{8}$ oz. and 1 oz. silver per week only twenty years later.

The Statutes of Labour appear to have been usually aimed against a tendency in wages to rise, owing to natural causes; but laws had sooner or later to give way before these causes.

In consulting any records of wages care must be taken to note whether the reference is to summer or to winter wages, the latter being generally much lower than the former. It is necessary also to know whether the wages were with diet or without: when with diet (a very common case) they are reduced by one half or one third.

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2. C. *Prices of wheat (nominal).*

	£.	s.	d.	
In the earlier half of 12th century about	0	1	0	per qr.
,, 1237	0	3	4	,,
,, 1289	0	6	0	,,
In the 14th century about	0	5	10½	,,
,, Earlier half of 15th century about	0	6	4	,,
,, Later half of ditto about	0	6	5	,,
,, 1551	0	8	0	,,
,, 1574	1	2	6	,,
,, Last quarter of 16th century about	2	0	0	,,
,, 1616	2	4	0	,,
,, 1646	2	17	5¼	,,
,, Latter half of 17th century	2	6	3¾	,,
,, ,, ,,	2	5	10¾	,,
,, First quarter of 18th century	2	4	9	,,
,, Second ditto	1	17	9¾	,,
,, 1765	2	0	1½	,,
,, 1795	2	14	3¾	,,

The fluctuations in the prices of wheat are so great (and especially in the earlier centuries), that it is difficult to fix upon any one price given as that which is fairly representative of a period: the only alternative is to strike an average of a number of years, and this has accordingly been done in many of the above cases. In striking these averages, years of evident famine have not

been taken into account,—thus following the advice of Garnier, *Richesse des Nations.* There is consequently a good deal of discrepancy between the results here given and those in the *Wealth of Nations*, p. 117, McCulloch's ed. 1863. The prices selected by Adam Smith appear moreover to be abnormally high. The best indication of what was considered to be a fair price of wheat at any period seems to be given by Statutes relative to its exportation and importation. Prof. Thorold Rogers gives 5*s.* 10*d.* as the average price of wheat from 1261—1400;—see *History of Agriculture and Prices*, Vol. I. Bad harvests in early times, when foreign trade was slow and limited, and inland communication difficult, told at once and with full force upon prices. At such times the mass of the people must have been unable to buy corn at all, and fed upon peas, beans, and wild roots. The fact that corn has not always been an indispensable food of the people must somewhat affect its importance as a measure of value over long periods.

The variations in the price of wheat from year to year are sometimes as great as from £2 and £3 one year to 2*s.* the next.

The fall in the value of wheat noticeable in the latter half of the 15th century and earlier half of the 16th, is probably due to the improvements then taking place in agriculture, and the subsequent marked rise in price seems to indicate strongly a great fall in the value of the precious metals; and this the other price lines bear out.

The Civil War in the 17th century no doubt exaggerated the rise in price already due to an influx of the precious metals; and we observe a subsequent fall.

D. *Oxen per head.*

	£.	s.	d.
Latter half of 11th century	0	2	6
1145	0	3	0
1298	0	6	8
Latter half of 14th century	0	8	0
Middle of 15th century	0	11	6
1563	1	10	0
	2	0	0
1589	2	10	0
Beginning of 17th century	3	0	0
	5	0	0

It is noteworthy that while in the 15th and 16th centuries the price of sheep was either stationary or falling, that of oxen was steadily rising. The great extension of sheep-farming may account for the divergence.

Great differences are to be observed in the prices of fat and lean beasts, both sheep and oxen; and it is probable that an average beast in later times, when the rearing of stock was better understood, would be quite equivalent to the fat beast of earlier periods.

E. *Oats.*

	s.	d.	
1150	0	4	per qr.
1289	2	0	,,
1330	2	4	,,
	2	6	,,
Latter half of the 14th century	2	0	,,
1489	2	0	,,
1528	2	5	,,

	s.	*d.*	
1543	3	4	per qr.
1560	5	0	,,
	6	0	,,
1652	15	4	,,
1679	10	8	,,
1759	14	0	,,
1777	16	1	,,

F. *Sheep.*

	£.	*s.*	*d.*	
11th century	0	0	4	
12th ditto	0	0	4	
1298	0	1	0	
1340	0	1	8	
1348	0	0	4	Plague.
15th century	0	1	10	
	0	2	4	
1549	0	2	6	
1563	0	5	0	
1597	0	10	0	
1660	0	11	0	
1760	1	7	0	
1795	1	18	0	

Note on Chart II.

The increase both in the Revenue and the Debt has been so great since the 17th century that it has been found necessary to represent them by lines drawn on two very different scales: the upper (dotted) half of each line is drawn according to the scale given at the top of the chart, and the lower half according to that given at the bottom. To make the general result however clearer to the eye, the upper halves of the lines are drawn also according to the bottom scale in a column added to the chart on the left margin.

A. *Revenue.*

	In money of the present time. £		In money of the given time. £
1. William I. . .	180,000	See Stubbs, Vol. I. p. 210	60,000
2. Henry I. . .	198,000	ditto	66,000
3. John	120,000	Pearson, *Hist. of Eng.*, Vol. II. p. 208—211	40,000
4. Henry III. . .	150,000	ditto	50,000
5. Edward I. . .	195,000	Seeley, *Greatest of Plantagenets*	65,000
6. Henry VI. . .	124,000	Lingard, *Hist. of Eng.*, Vol. IV. p. 68	62,000
7. [1]Henry VIII. .	400,000	Knight's *Hist. of Eng.*, Vol. II. p. 457 (From this time the money values are the same as at present.)	300,000

[1] The revenue given is that which proceeded from the ordinary sources of income, plus the revenues of the monasteries, but Henry VIII. seems to have raised a still larger one by indirect

		In money of the present time. £	
8.	[1] Elizabeth . .	460,000	Gardiner, *Hist. of Eng.*, from 1603—1616, p. 471
9.	[2] James I. . .	560,000	ditto
10.	Commonwealth	1,517,247	Sinclair
11.	Charles II. .	1,200,000	Hallam's *Hist. of Eng.*, Vol. III. p. 15
12.	James II. . .	1,900,964	ditto
13.	William III. .	3,895,205	Sinclair
14.	Anne . . .	5,691,803	ditto
15.	George I. . .	6,762,643	ditto
16.	George II. . .	8,522,540	ditto
17.	George III. .	15,572,971	ditto
18.	1840	37,911,506	Doubleday
19.	1850	52,233,006	ditto
20.	1855	63,365,608	ditto
21.	1857	66,056,055	ditto
22.	1873	76,000,000	Noble, *Finance*, p. 139
23.	1880	81,265,055	*Statistical Journal*, No. 28

In the reigns of William II. and Henry I. all payments in kind were converted into payments in money. In Henry II. we first find a tax imposed on personal property.

Richard first taxes wool, and in Edward I. tonnage and poundage were an important source of revenue.

Edward III. imposes a Poll Tax; and from this time forth personal property and the customs become a regular source of revenue.

and probably illegal methods. In the two years 1545—47 he spent £1,300,000, and the Chancellor of the Exchequer confesses himself unable to guess where all the money came from.

[1] £460,000 Gardiner thinks to be Elizabeth's expenditure in times of peace only.

[2] At first only £320,000 was voted to James I., but his expenditure much exceeded this figure, and the revenue finally rose to the sum here given.

In the time of Henry IV. the Parliament began to take upon itself the disbursement of some of the revenue, this having previously been entrusted entirely to the kings.

Originally the Crown Lands were the chief source of regular revenue; but these were gradually reduced by alienation, until taxation in the modern sense became a permanent, instead of an occasional necessity.

It is to be remembered that the great increase of the expenditure since the 17th century is due not only to growth of the empire, but to growth of the functions of government.

B. *Total Charge of the National Debt, including Interest, Management and Sinking Fund.*

		£
1.	1689	39,855
2.	1702	1,215,324
3.	1714	3,063,135
4.	1763	5,032,733
5.	1793	9,432,179
6.	1817	31,591,927
7.	1862	26,166,701
8.	1880	28,000,000

The increase of the charge since 1862 is due to conversion of a part of the Debt to Terminable Annuities, and to the new Sinking Fund.

Note on Chart III.

A. *Population of England and Wales.*

This line is drawn according to the scale given at the top of the chart, the intervals between the lines representing each $2\frac{1}{2}$ millions.

Until the 18th century, the calculations as to the extent of the population are most unsatisfactory; the bases on which they rest are purely hypothetical, and as a natural consequence the results obtained do not harmonize.

In 1528, from the assumption that the population of Wilts, Essex and Kent, would correspond with that of other equal areas throughout the country, it was reckoned that the total population amounted to 4,356,000[1].

Graunt declares that in 1662 it amounted to 6,500,000, a figure which we do not meet with again till 1760.

The numbers on the line refer to the following figures.

1.	1575	about	5,000,000	
2.	1696	„	5,500,000	Calculated by Gregory King from the Hearth Tax. See Davenant's *Works*, Vol. II. publ. 1771

[1] Davenant calculates that in 1700 it amounted to about 5,000,000; see Davenant's *Works*, Vol. II. Price thought it had decreased from the time of the Revolution, and that in 1780 it was only 4,763,000.

3.	1700	,,	5,134,516	See *Wealth of Nations*, McCulloch, Note IV., pp. 460,464
4.	1720	,,	5,345,351	
5.	1740	,,	5,829,705	
6.	1760	,,	6,479,730	
7.	1780	,,	7,814,827	
8.	1800	,,	9,187,176	
9.	1811	,,	10,164,256	
10.	1838	,,	15,312,256	
11.	1857	,,	19,256,680	
12.	1861	,,	20,119,496	
13.	1876	,,	24,244,010	See *Statistical Abstract*, No. 28
14.	1880	,,	25,480,161	

B. *Exports.*

The upper half of this line is drawn on the same scale as the entire population line, and the lower half according to the scale given at the bottom of the chart,—i.e. 22 millions to each interval. As in Chart II. a column has been added to the left, exhibiting the upper half of the line as drawn also according to the bottom scale.

Before the 18th century the data for a calculation of total Exports and Imports are very inadequate. The customs in Elizabeth's reign are said to have amounted to about £14,000 per annum, and as these are supposed to have been about $\frac{1}{20}$th of the value of the goods, we may very roughly conclude that exports and imports together amounted to about £280,000 per annum. Similarly it is calculated that in Charles I. they amounted to £500,000. The numbers on the line refer to the following figures.

		Value of Exports. (From England only.) £	
1.	1688 . .	4,310,000	See Davenant's *Balance of Trade*, p. 93
2.	1700 . .	6,250,000	See Playfair's *Commercial Atlas*, Plate 1.[1]
3.	1710 . .	7,000,000	
4.	1720 . .	8,750,000	
5.	1730 . .	11,000,000	
6.	1740 . .	12,000,000	
7.	1765 . .	15,000,000	
8.	1772 . .	17,000,000	
9.	1780 . .	12,500,000	
		(Including Scotland[2].)	
10.	1816 . .	54,000,000	[3]See *Journal of the Statistical Society*, No. XI. p. 21.
11.	1825 . .	47,000,000	
12.	1840 . .	64,000,000	
13.	1854 . .	115,000,000	
14.	1860 . .	164,000,000	
15.	1865 . .	218,000,000	
16.	1870 . .	244,000,000	

[1] Playfair in 1786 adopted (in the work referred to) the graphic method of exhibiting economic phenomena, and explains by means of many clear and interesting charts the general condition of English Trade and Finance in the years 1770 to 1782.

[2] Playfair declares that the trade of Scotland with other countries than England did not amount in 1770 to more than one-twentieth of the trade of England at that time; so even if it had been found possible to give with any accuracy the exports of England and Scotland combined, for the 18th century, the course of the line in the chart would not probably have been seriously affected.

[3] The figures here given are not quoted directly from the Journal; they have been formed from a table furnished in it, by the addition of the *Declared Values* of the exports of British produce and manufacture to the *Official Values* of goods imported only to be re-exported. Some difficulty arises here with regard to this distinction of Declared and Official Values; and in all consultation of early records of exports and imports particular attention should be paid to it. The Official Values are reckonings of exports and imports made at the Custom House according to an early established tariff of

Note on British Possessions and Dependencies.

I. *See Map I.*

The maps exhibit the growth of the British Colonial Empire since the end of the 17th century. After the Peace of Ryswick 1697, the Possessions and Dependencies were as follows: (see E. J. Payne's *European Colonies*, and Martin's *Statistics of the British Colonies*, pub. 1839).

	ACQUIRED.
A small district in Bengal	1697
Madras	1639
Bombay	1661

prices, while the Declared Values are the real *values* at the time being, as acknowledged by the owners of the goods. As time went on, these Official Values, which at first no doubt expressed the real value, would come to ill agree with it; and the disparity was at last so great that while in 1854 exports stood according to Declared Values at 116 mils., they were according to Official 243 mils. According to the Journal all accounts of commodities *re-exported* were kept in Official Values only, so in order to get the total exports we are compelled to add these Official Values to the Declared Values of all other exports. The error which thus results however is not so great as might be expected; for it appears that while the prices of most commodities produced at home had fallen more than one half, the values of most of the imports had slightly risen. In 1854 the Declared Value of imports was 152 mils., while the Official Value was 124 mils.; hence the maximum difference between the two was only about 20 per cent. And it is further to be remembered that the re-exports amounted only to about one-fourth or one-fifth of the total; so the figures here given are only a slight under-estimate.

	ACQUIRED.
St Helena	1665
Part of Gambia	1631
Cape Coast Castle	1661
Accra	,,
Dix Cove	,,
Part of Honduras	1650
Jamaica	1655
Barbadoes	1625
Tortola and Virgin Islands	1666
Bahamas	1628
Montserrat	1632
Bermudas	1611
St Christopher	1697
Anguilla	1650
Antigua	1632
Nevis	1650
Territory along the Coast of North America from confines of Florida to Nova Scotia, and extending inland as far as the Alleghanies, before	1674
Small colony in Guiana	1634

The Possessions in 1763 in addition to the foregoing, were

	ACQUIRED.
Upper and Lower Canada	1763
Labrador	,,
Newfoundland	1713
Nova Scotia	,,
New Brunswick	1763
Cape Breton	,,
Prince Edward's Island	,,
Hudson's Bay	1713
Florida	1763
Territory West of the Alleghanies to the basin of Mississippi	,,
Tobago	,,
Grenada	,,
St Vincent	,,

	ACQUIRED.
Dominica	1763
Martinique	,,
Guadaloupe	,,
Bengal, Arcot, Masulipatam, &c.	,,
Gibraltar	1704

II. *See Map II.*

POSSESSIONS AT THE PRESENT TIME.

Hindostan.	ACQUIRED.
Mysore	1799
Agra	1803
Mahratta Territory	1818
Malabar and Coromandel Coast	1824
Ceylon	1802
Ultra-Gangetic Territory	1825
Singapore	1819
Malacca	1795
Labuan	1846
Hong Kong	1841
Aden	1837
Cape Colony	1806
Natal	1849
Mauritius	1810
Seychelles and Ammirante	,,
Sierra Leone	1787
Lagos	1862
Ascension Island and Tristan d'Acunha	1815
St Helena and Gold Coast (vide ante)	
Fernando Po	1825
Canada, Newfoundland, Nova Scotia, Labrador, Hudson's Bay (vide ante)	
British Columbia	1778
Vancouver Island	,,
Sandwich Islands	,,

	ACQUIRED.
Honduras (vide ante)	
Demarara (regained) } Essequibo } Berbice }	1803
West Indian Islands (vide ante)	
(Martiniquè and Guadaloupe however have been resigned and Trinidad acquired 1797)	
Falkland Islands	1765
Gibraltar (vide ante)	
Malta	1800
Gozo	,,
Heligoland	1807
Cyprus	1878
Australia and New Zealand	1773

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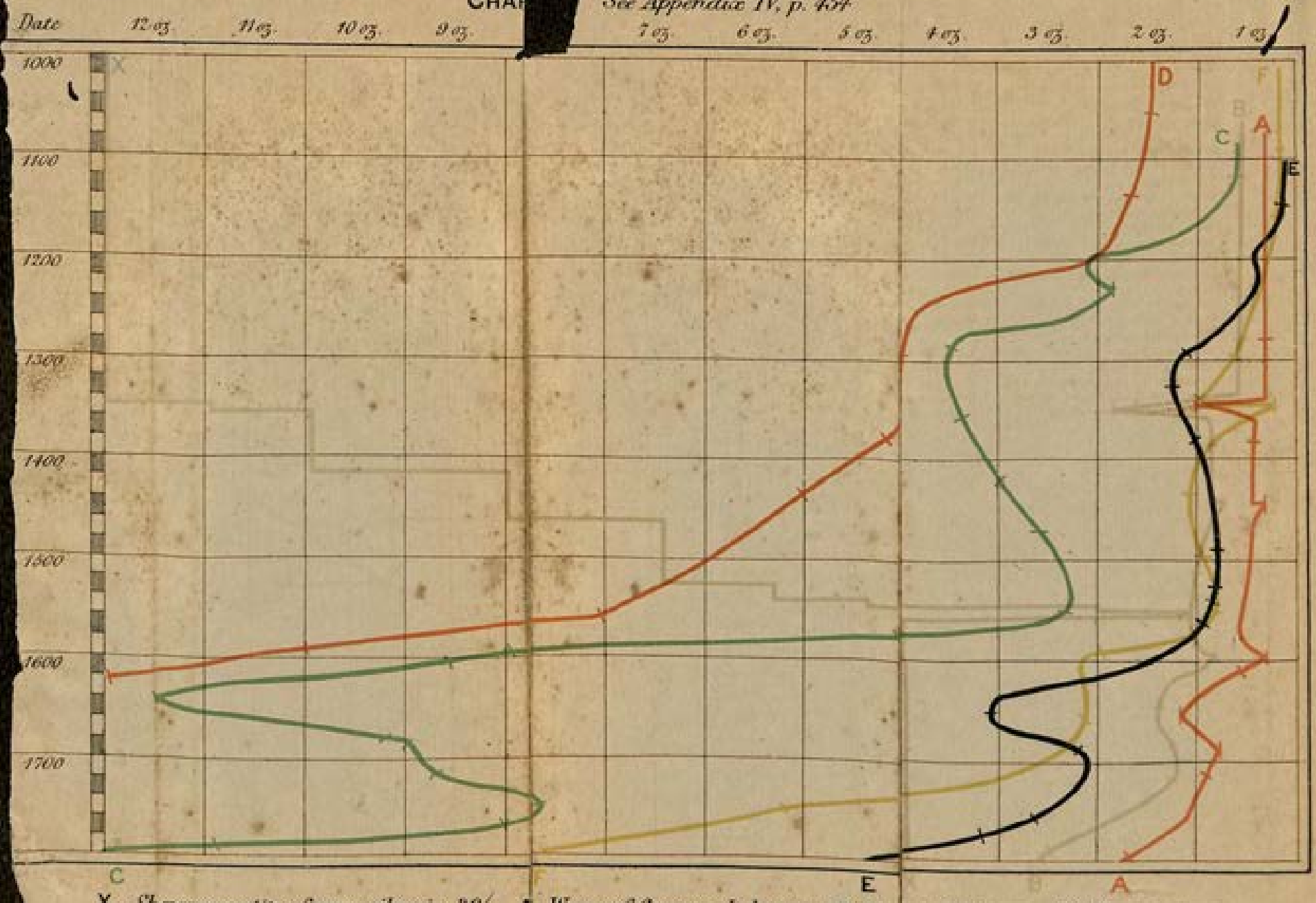
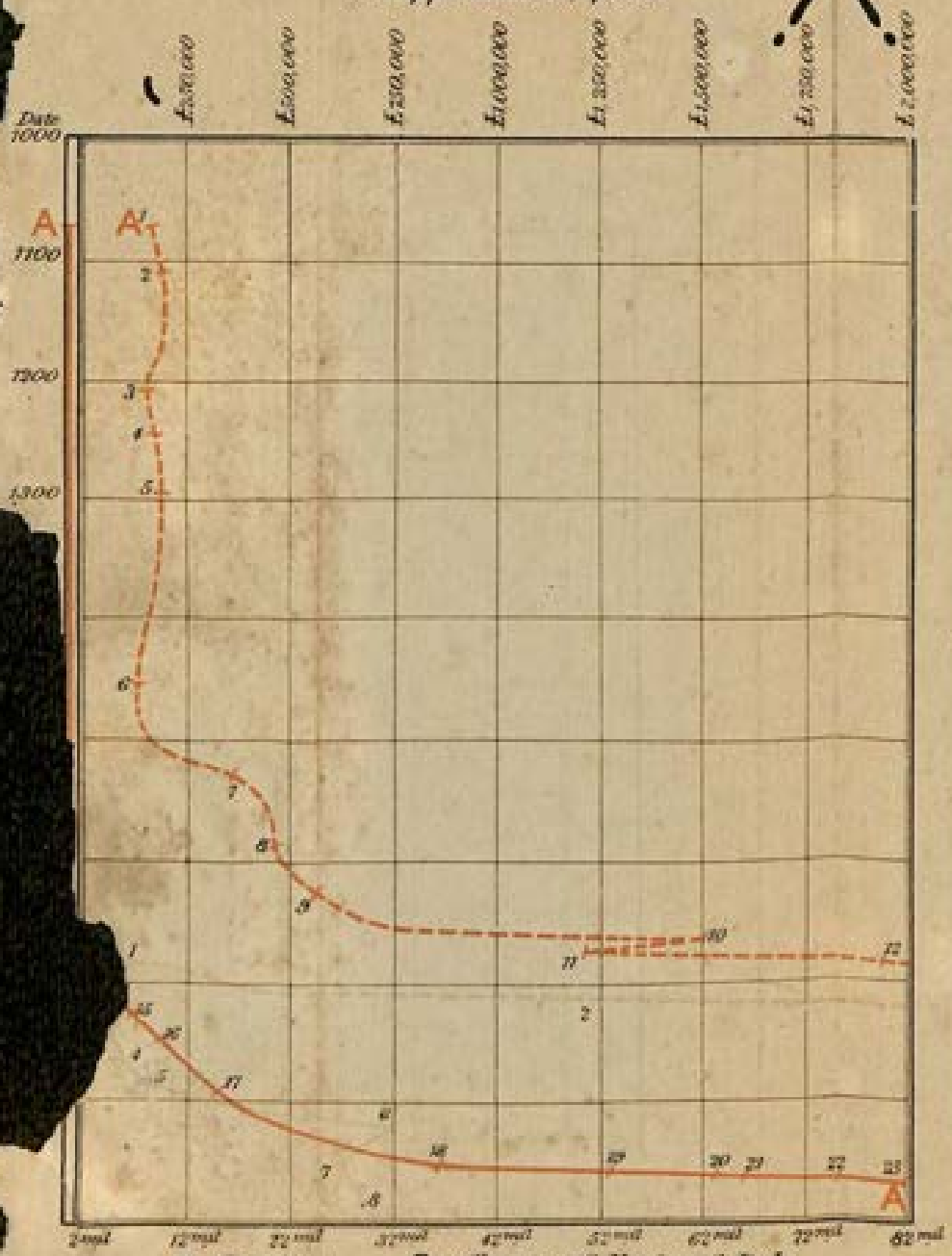


X. *Shows quantity of pure silver in 20/-.* A. *Wages of Common Labourers.* B. *Wages of Artisans.* C. *Wheat per qr.*
D. *Oxen per head.* E. *Oats per qr.* F. *Sheep per head.*

CHART II.

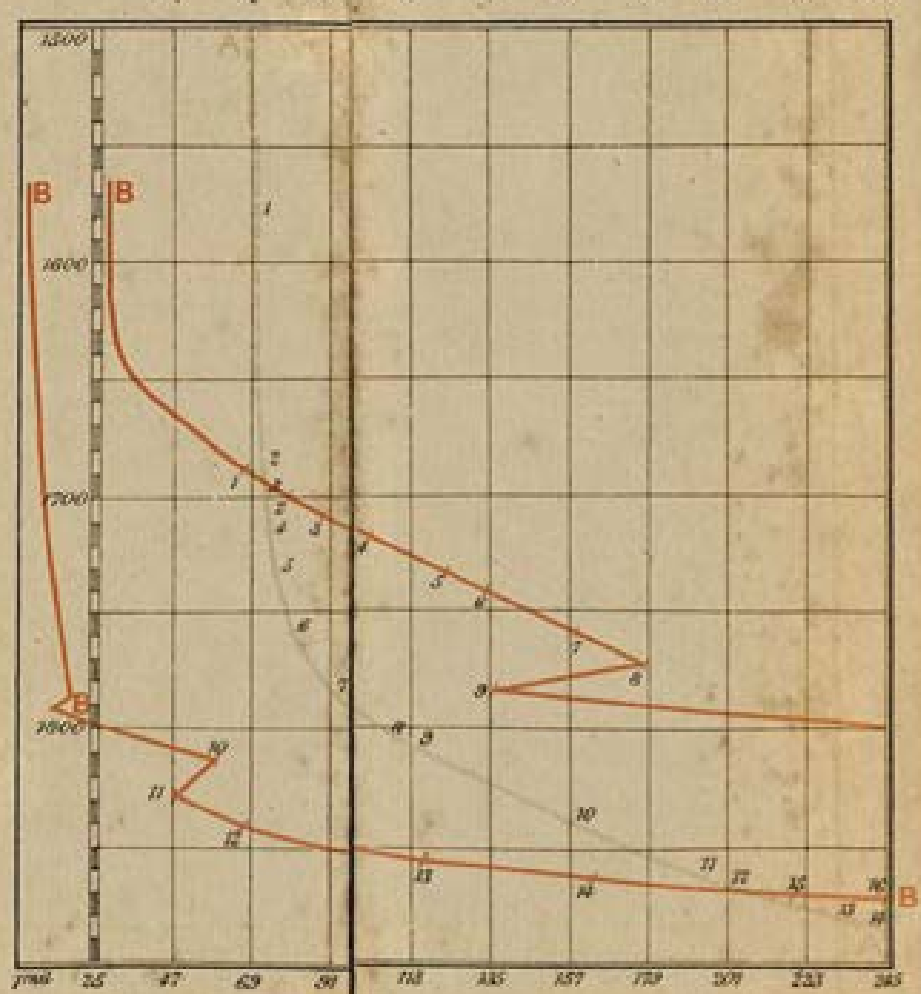
See Appendix IV, p. 462



A. *Revenue.* B. *Charge of National Debt.*

CHART III.

See Appendix IV, p. 465



A. *Population.* B. *Exports.*

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